The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

June 10, 1939

McNutt For the Presidency?

AN EDITORIAL

Japan Uses Customs Funds

BY JOHN AHLERS

Adolf Hitler Scores Again

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BY GUZO HAKWAISHA

More Refugees for Shanghai

Japan Now Poised to Spring

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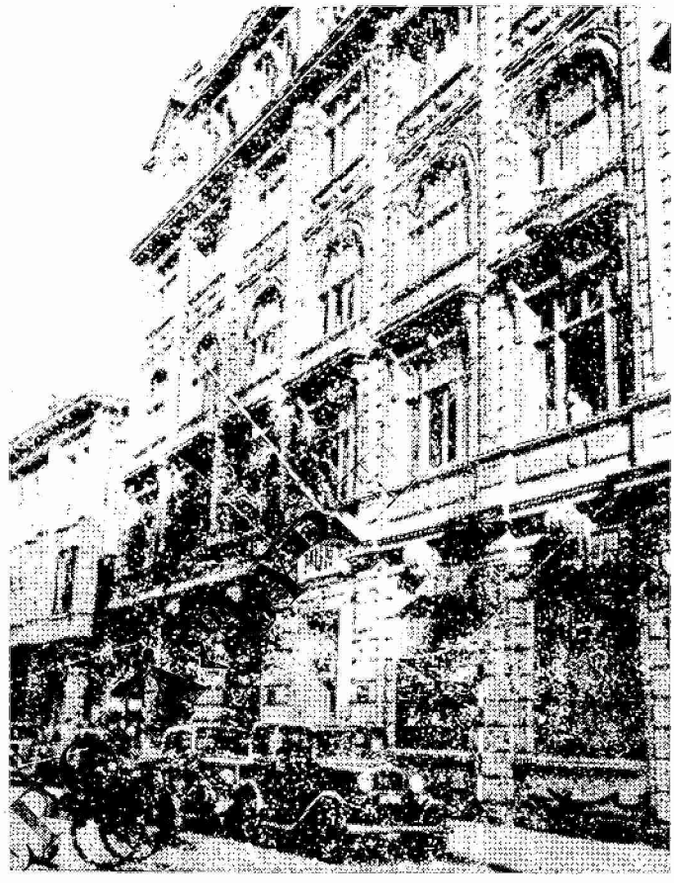

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

BUSINESS VS. EMBARGO

To the Editor:

By the time this reaches China we shall know the fate of Senator Pittman's effort to have Congress impose embargoes on Japan. Meanwhile, our Western chambers of Commerce are working against him, tooth and nail. Only last night I got hold of one of their slushy letters to the business men of Japan.

It is extremely interesting, too, because it puts the best face possible on American-Japanese commercial relations, but the face has a shiner. "Some months ago," it says, "I wrote you pointing out that our trade relations had kept up remarkably well. As 1939 gets under way, however, I regret that our shipments to Japan are considerably under those of a year ago. This is particularly true of cotton exports."

"Public sentiment in America," this letter goes on, "continues to be divided relative to the struggle between Japan and China."

This is precious! "Divided" is a convenient word. The chamber of commerce man doesn't think it necessary to explain that in this case the division is about 99% for China and possibly 1% for Japan. "About the only change I can observe," he says, "is perhaps a more insistent demand on the part of sympathizers with China, that America shall stop selling materials to Japan that aid in prosecuting the war." But he spoils this truthful remark by adding: "There is less of this sentiment here in this city, however, than elsewhere in the United States." This is dollar diplomacy at its lowest and worst.

The letter closes with a tremendous statement; tremendous, because wholly true:

"There are people who advocate the substitution of other kinds of stockings for silk hosiery made of raw silk from Japan, but this proposal has not made much headway among the women of America, nor do I think it will make much headway as a boycott proposal. However, our Japanese friends are in danger of inroads on their silk market through a reported new invention developed by the DuPont interests in Delaware. Published accounts state that the DuPonts have perfected a new kind of material which will be even better than silk for hosiery, and at much less cost. If this proves true, there is every possibility that it will be a serious blow to the silk hosiery industry, and as the United States purchases 70% of Japan's silk output, the possibilities of this invention may be very serious from an economic standpoint."

JAMES A. B. SCHERER

San Francisco,
May 6, 1939

WORD FROM THE FRONT

To the Editor:

I thank you for the money and the stamps sent me by the office force. The money came in handy and enabled me to purchase two shirts and two trousers which I needed badly because I did not bring much clothing with me when we left Shanghai.

Recently the Chinese forces launched several successful attacks on the Japanese on the Nanchang-Kiukiang Railway. The Japanese air squadrons are very active and alarms are being sounded here as many as four or five times a day. The country people were terrified at first, but now have become accustomed to the spectacle.

I am thinking of resigning my position with the propaganda corps of the Pinghsiang Headquarters and proceeding to Hengyang to join the Headquarters of the 9th War Area under command of Gen. Hsueh Yoh. I am greatly in need of some notebooks to write letters.

Hsieh Hsin-yuen
(Your Office Boy)

Pinghsiang Kiangsi,
April 25, 1939

***

Later—I have left Pinghsiang for Kian. Because of lack of funds, the Boy Scout group of which I was a member has been dissolved. It consisted of twelve Shanghai boys. Six resigned and another six joined the Kiangsi People's Anti-Japanese Association and were working in the relief section. It took us fully a week to travel from Pinghsiang to Kian, the distance being about 600 li. We were tired, without money and had to live on very coarse food. Because of frequent raids nobody goes on the streets in Kian after dawn, but in the night the city is full of people and there is brisk business. There is excellent spirit between the soldiers and the people.

H. H. Y.

Kian, Kiangsi

Editor's Note:—Hsieh Hsin-yuen, writer of the above letter, 17 years old, was formerly an office boy in "The Review's" editorial department. In company with 17 other boys he slipped out of Shanghai and went to Kiangsi Province where he has been helping the Chinese forces to resist the Japanese.

CHUNGKING INDIGNANT

To the Editor:

The people here were highly indignant when they heard that publication of the Generalissimo's address had been prohibited in Shanghai—and by the authorities of the Settlement, controlled by Powers with which China is still maintaining friendly relations!

In the latest Japanese bombing raid, the Japanese hit and damaged the Szechwan Salt Bank Building. My office in this building was thrown into a most disorderly state, but fortunately I had already completed my article. My account of the previous raids had also been air-mailed.

C. Y. W. MENG
Correspondent

Chungking, May 25, 1939

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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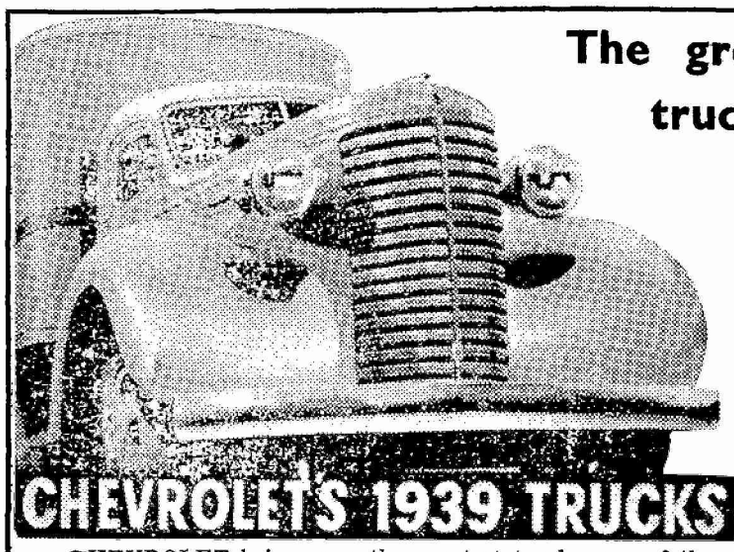

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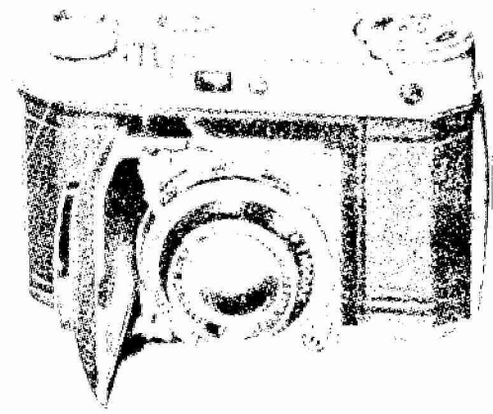

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Commissioner McNutt Returns to Washington as Likely Presidential Candidate

PAUL Vories McNutt, High Commissioner to the Philippine Commonwealth, concluded this week an extensive tour of Oriental countries, prior to returning to Washington where he is scheduled to make an official report of his stewardship to the President of the United States. Following that he will, according to his statement here, turn in his appointment as High Commissioner. Then, according to popular report, Mr. McNutt will become an active candidate for the Democratic nomination as President of the United States.

When Mr. McNutt went aboard the President Coolidge in Shanghai harbor on Tuesday of this week, he had concluded a tour of investigation of Far Eastern countries which extended from Chinwangtao on the Manchurian border to Singapore at the southeastern tip of the Continent of Asia. He had visited every important port from Tientsin to Singapore and had investigated conditions in China, Indo-China, Siam, Straits Settlements, Netherlands Indies and, of course, the Philippines.

Should Mr. McNutt receive the nomination and should he win the national election, a year and a half from now, the United States would have the best informed Chief Executive on Far Eastern affairs since William H. Taft was elected to the Presidency in 1908. Like Commissioner McNutt, Mr. Taft had served as chief administrative officer of the Philippines. It was Mr. Taft, serving as President of the Philippine Commission, who inaugurated civil government in the Philippines and it fell to the good fortune of Paul V. McNutt to serve as first High Commissioner to the Commonwealth. Taft was 51 years old when inaugurated President. Mr. McNutt will be 51 next year. Taft was born in Ohio and received his education at Yale. McNutt was born in the neighboring state of Indiana and received his education at Indiana University and Harvard. Mr. Taft was offered the presidency of Yale University, which he refused in order to accept the Presidency of the Philippine Commission. Mr. McNutt was professor and Dean of Law at Indiana University until he was elected Governor of his State, which position he held for two terms—until 1937—when he was appointed High Commissioner to the Phillippines.

Major Arthur Bassett, president of the American University Club, in introducing Mr. McNutt to a Sino-American audience which packed the dining rooms at the American Club, referred to the Commissioner as an excellent example of the type of man which the United States and a democratic type of government could produce. Mr. McNutt made what was generally regarded as the most notable and scholarly address delivered in Shanghai in many years. The address was largely concerned with political and economic developments in the Philippines.

When Mr. McNutt departed from Manila, more than 10,000 Filipinos crowded the jetty to say farewell to the departing Commissioner and his wife. At the head of these thousands of natives of the new Commonwealth were President Manuel Quezon and Mrs. Quezon. One of the Manila papers said that there was "no dissent at all from the admiration which Commissioner McNutt had won among the Philippine people and among the Americans, his own people in the Islands! Mr. McNutt had given all a "common platform," and, to quote further

Commissioner NcNutt (left) and Major Arthur Bassett, President of the American University Club.

from the editorial, "if President Roosevelt does not stand for a third term . . . it would be great luck for us to have him in the White House . . . and we do know too, that it would be great luck for the United States to have a man in the White House, all the windows of whose soul did not open nostalgically on the Atlantic; but who could stand at other, broader, newer casements, and look west . . . west into the Far East: where the future lies, and in lieu of alliances and battlelines, peace is possible and business assured."

Since Commissioner McNutt's address was concerned largely with matters pertaining to the present and future status of the Philippines, which, obviously, will be included in his report to the President, it could not be released for publication here.

There is significance, however, in the fact that the so-called Philippine Problem, previously only concerning the Americans and the Filipinos, has now become a part of the larger problem of the Far East and the all-embracing world problem. The American people generally have never concerned themselves over-much with the destiny

of the Philippines, but now, through a combination of circumstances, they must give serious thought to the problem because the law passed by Congress granting independence to the Philippines, will, unless altered, become effective in 1946. Whether the world will be involved in another general war by that time, or will still be in a state of disturbed "peace" as it is at present, cannot be foretold. But the problem of granting political independence to a people who are economically dependent upon the United States involves responsibilities which were neither seen nor realized by those who were responsible for the passage of the independence law through Congress.

While the United States has received credit for unexampled altruism in freeing a colonial people, it is now common knowledge that altruism was not the sole guiding motive, and that the action of Congress in voting to grant independence was inspired by a combination of selfish domestic interests which feared the competition of Philippine products and took advantage of the natural desires of the Filipinos for political independence. The Independence Law provided for a 10-year transition period, now known as the era of the Commonwealth. But now, as world political and economic conditions become more unsettled, it is natural that thoughtful Americans, as well as Filipinos, have begun to question the wisdom of casting a weak and defenseless nation adrift at a time when the dictator-rulers of totalitarian states are savagely reaching out and seizing the territory of weaker nations and are even gobbling up tiny coral reefs, mere specks on the surface of the ocean, invisible at high tide.

As for the Philippines, which possess more arable land than Japan and embrace more territory than the British Isles, yet have only 15,000,000 people, the problem of independence is doubly serious because of the potential wealth of the Islands. Even though it would be possible to surround the new nation with treaty safeguards, the fact that the populations of other Oriental states are overflowing their borders, would make it difficult, if not impossible, for the Filipinos to protect themselves against aggression. The chances are that the withdrawal of the American flag, unless there had come about a fundamental change in the attitudes of nations not apparent at this time, would be followed by domestic and international turmoil which would convert the independence now enjoyed by the Filipinos into servitude for the benefit of some powerful, avaricious neighbor.

According to recent reports from Manila, the political leaders are beginning to take cognizance of the disturbed world of which they are a part, and have begun to change their minds on the fundamental issue of whether or not they desire complete independence at this time. The fact that Commissioner McNutt has frequently and openly expressed the view that a complete severance of the ties binding the Philippines to the United States might prove disastrous for both countries, probably was largely responsible for the grand send-off which he received when he departed from Manila a few weeks ago. But whether the Americans, who approved complete independence three or four years ago, can be induced to change their minds, as the Filipinos allegedly are doing, is problematical. It is true, unfortunately, that there are many Americans who take the view that cutting loose from the Philippines might enable the United States to escape involvement in a possible Far Eastern war. It is the same attitude of mind which has advocated a complete withdrawal of all Americans and their manifold activities from China as a means of avoiding a clash with Japan. It is unlikely, however, that any great number of intelligent Americans will be influenced by this type of thinking.

Admiral Harry E. Yarnell, retiring commander of the U. S. Asiatic Fleet, who has won a notable reputation due to his intelligent handling of the situation here, recently remarked, humorously, that "if the isolationists had their way, it was conceivable that an expansionist Japan might, at some future date, send a Commodore Perry to 'open up' the United States to world intercourse in much more drastic manner than was employed by our Commodore Perry in opening Japan to western civilization in the middle of the past century."

Does "Special" Undeclared War Justify Murder?

FRANK Oliver, author of the excellent book, "Special Undeclared War," told of a session of the Japanese press conference in Peiping which was held immediately following receipt of news in that city of the shooting down near Hongkong of the C. N. A. C. plane "Kweilin," resulting in the deaths of 14 civilian passengers. The Japanese military spokesman defended the action (shooting down a plainly-marked passenger and mail plane) on the ground that the machine-gunners on the five naval pursuit planes "were merely carrying out orders," when they riddled the passenger plane and killed among others, a baby less than a year old and a Chinese boy of five.

> "But are you technically at war, Colonel?" one of the correspondents inquired. "Why is the war always referred to by Japanese as an incident?"
>
> The military spokesman, pale with suppressed anger, replied, "Foreigners who don't know China cannot understand. This is a *special* undeclared war."

Similar elements apparently were involved in the latest incident at Shanghai, involving the murder, by Japanese marines, of the Briton, R. M. Tinkler. Details of the tragedy appear elsewhere, but even accepting from the Japanese allegation that Tinkler was armed and allegedly threatened the Japanese there appears little justification for the Japanese action in stabbing the Briton through the stomach and then, apparently, leaving him without medical attention for several hours. The Japanese spokesman at the Press Conference on Tuesday afternoon made no mention of the stabbing, only stating that Tinkler had been struck on the head with the butt of a rifle and knocked insensible—*after he had been disarmed*!

The incident occurred early on Tuesday morning at the mill property (where a strike had been in progress), but the victim was not brought to a Settlement hospital until late at night, after the British Vice-Consul, J. M. Ford, had gone to Pootung to make an investigation.

Ken Tsurumi, recently sent here from Tokyo to serve as spokesman for the Japanese Consulate-General, attempted to justify the action of the Japanese forces on the ground that Tinkler, by flourishing a gun, "had deliberately insulted the Japanese Navy." Mr. Tsurumi even expressed surprise that Tinkler "had not been shot and killed on the spot." Mr. Tinkler probably would have preferred that to the treatment which he received, for, according to the Japanese statement at the press conference on Tuesday afternoon, he was knocked insensible with the butt of a rifle, *after he had been disarmed*. The spokesman made no mention of the fact that the victim had been stabbed three times in the stomach causing internal hemorrhages from which he died at about 5 :30 o'clock on Wednesday morning. Also there was a serious bruise on one of his legs, caused by a blow from a rifle butt.

It remained, however, for the local Japanese newspaper *Tairiku Shimpo*, to expose the real motive for the murder of the Briton. Referring to the strike situation at the British mill where it had been necessary for the proprietors to station guards in order to protect their property against Japanese-instigated strikers, the Japanese newspaper referred to the British guards as "uneducated hoodlums (whose) . . . impertinence and violence represent the contempt and enmity of Britons as a whole towards Japan."

In other words a contingent of bullies and ruffians, wearing the uniform and carrying the arms of the Japanese Navy beat up and stabbed to death a British civilian *after he had been disarmed* (to quote their own statement), and they did this because the Briton, in the performance of his duty, "insulted" the Japanese Navy by trying to prevent the Japanese from trespassing on British property.

Rear-Admiral Masao Kanazawa, Navy Ministry spokesman in Tokyo, stated on Thursday of this week that the Tinkler incident "was a manifestation of the anti-Japanese atmosphere in British circles." Rather, we should say it is a manifestation of the anti-British and anti-foreign propaganda which the Japanese have been circulating for many months.

Japanese Seize, Hold and Use Illegally Over $200,000,000 in Customs Funds

BY JOHN AHLERS

JUNE 1, 1939, was the first anniversary of the unilateral introduction by the Japanese authorities of the present customs tariff enforced in Japanese-occupied areas of China. On May 31, 1938, the regular internationally recognized Chinese Maritime Customs tariff of 1934 ceased to be applied in Nippon-controlled parts of this country, and on the following day the present tariff was introduced in all ports from Hangchow Bay northward, and also in Amoy. Later in the year, this Japanese-made tariff was extended to Canton, and this year it was introduced also on Hainan Island, as well as in Kongmoon and other minor ports in the Bocca Tigris region of South China.

Although Japan devised and enforced this tariff, and although all the other foreign powers have tacitly acquiesced in its enforcement, the tariff remains illegal and, from the point of view of international law, null and void. It is applied in the names of puppet regimes established by the Japanese Army in China, regimes which lack all characteristics of regular governments and which have failed to obtain recognition from any country, even Japan. The puppet tariff is an arbitrary measure supported only by Japanese bayonets. Foreigners pay it, not because they recognize it, but because they have no recourse.

The tariff of 1938 has worked out, as expected, to the great advantage of the Japanese in China. It was, with the help of the Japanese Army, largely instrumental in securing for Japan an overwhelming share in the foreign trade of the occupied regions of China. In pre-war times, Nippon's participation in Chinese imports was only about 20 percent. At present it is over 40 per cent in all of China; about 50 per cent in Japanese-occupied areas, (not considering the wholesale smuggling racket along the Yangtsze River) and about 70 per cent in North China, according to a recent boast of Japan's Minister of Finance, Mr. Ishiwata.

A year ago, the Japanese claimed that their tariff of 1938 merely meant restoration of the old Chinese tariff level of 1931. They had to admit, however, that they had introduced into the 1938 tariff a considerable number of exceptions from the 1931 tariff, chiefly in goods of special interest to Japan as an exporter. The Nipponese protested that the tariff took into account the interests of all foreign nations equally. Today, the customs returns of foreign trade prove that in most of the goods for which such exceptions were made, Japan either obtained an import monopoly in China or an overwhelming share in the imports of such goods.

Moreover, the new tariff schedules of 1938 provided the Japanese-controlled puppet regime in Peiping with a weapon, of which the fullest use was made, to fight European and American business interests in China. It was upon the strength of that usurped tariff authority, rightfully vested in the National Government, now in Chungking, that countless measures of control over imports and exports were taken in North China, culminating in the export control regulations of March 11, 1939, which are closely bound up with arbitrary foreign exchange control exercised by the Yokohama Specie Bank.

But the greatest advantage which the Japanese obtained from the new customs tariff of 1938, was control over China's customs, which revenue they have used in their conquest of this country. Since Japan controls the maritime provinces, it is natural that the bulk of China's foreign trade continues to be transacted by Japanese-occupied areas, which thus yield most of China's customs revenue. From June 1, 1938, to May 31, 1939, between 70 and 80 per cent of the Chinese maritime customs revenue was produced in ports under Nipponese control. For a whole year, this revenue has been deposited in the Yokohama Specie Bank. Total Chinese customs funds now held by that bank amount to approximately $200,000,000, of which $ 100,000,000 of revenue was produced in Shanghai alone.

It is certainly a most extraordinary spectacle to observe Japan continuing to maintain she is not at war with China, but laying hands upon China's most important source of revenue. It is a most singular spectacle to also observe Japan actually witholding that revenue from the various puppet regimes which she pretends are lawful governments in China. But it is even more astounding to witness Japan, who has no rightful claim to that revenue which she has appropriated by outright use of force, withholding it from legal owners of customs-secured Chinese foreign loan bonds in third countries. Such loan bonds are outstanding to the tremendous amount of over £20,000,000, the interest and amortizations of which had to be defaulted recently as a direct result of Japanese seizure and use of Chinese customs funds.

The payment of customs-secured Chinese foreign loans enjoys legal priority over other claims against Chinese Maritime Customs revenue. The annual service of these loans requires at present between $95,000,000 and $100,000,000, hence as they are collecting about 80 per cent of the total customs revenue in China, the Japanese should have contributed about 80 per cent of the foreign loan service funds. Their collections of customs funds so far have been more than twice as great as the obligations, but not a single cent has been contributed by the Yokohama Specie Bank toward payment of China's foreign customs loans. If that service had depended entirely on Japan, it would have had to be discontinued as from June 1, 1938, one year ago.

In order to preserve its own international credit, the Chinese National Government, although collecting only 20 per cent of China's customs revenue, for a period of nine months provided 100 per cent of the funds needed for servicing Chinese foreign customs loans. Only in February of the current year did Chungking declare itself unable to continue living up to the country's full financial obligations, and for the past three months the National Government has contributed to the loan service funds only a percentage corresponding to its share in the collection of Chinese customs revenues. Even then the Japanese failed to provide their share of 80 per cent, so that loans have been partially defaulted.

Had dependence been placed on the Japanese alone, the Chinese Maritime customs service would have broken down long ago. Also, according to report, the Japanese are filling up the Customs Administration with a great many additional Japanese employees, particularly within the lower grades. On the other hand, the Customs Administration in these ports is compelled to deduct its own salaries and operating expenses before remitting the remainder to the Yokohama Specie Bank. In some instances, where customs revenue was short of operating expenditures and salaries, customs employees remained unpaid for considerable lengths of time, as was the case in Amoy.

Part of the $200,000,000 of customs funds deposited in the Yokohama Specie Bank belongs to foreign holders of Chinese customs loans, while the other part belongs to the National Government in Chungking. The Japan

ese, however, treat these funds as if they belonged to the Tokyo treasury. The Nipponese pretense that the funds are kept intact in a special account is, in view of experiences with other Japanese assurances, open to question. The total absence of any strict accounting for these funds, and the Yokohama Bank's refusal to submit to any inspection of its accounts as to the whereabouts and management of the Chinese customs funds, obviously suggests that the Japanese have reasons for hiding the truth about the funds.

As a matter of fact, the Japanese, by no means, have left the Chinese customs money untouched. In various ways they have made use of this money for purposes which are completely alien to the legal character and destination of the funds. The bulk of customs deposits in the Yokohama Specie Bank appear to have been partially mortgaged, and partially spent. In three ways, the Nipponese have served their own political, financial, and military aims through the use of China's Customs funds:

(1) The Yokohama Specie Bank has granted substantial loans to the Peiping and Nanking puppet governments, with China's customs funds serving as "security." Money legally belonging to foreign bond-holders and the National Government has thus been turned over indirectly to irresponsible political marionettes of the Japanese Army. The Yokohama Bank has been able to reap handsome profits by charging exorbitant rates of interest. Thus has the all-famed Nishihara loan racket of 1918-1919 been revived, only this time at the expense of Chinese, instead of Japanese, funds.

(2) With Chinese customs money, foreign exchange is regularly being purchased in the Shanghai open market by the Yokohama Specie Bank. This exchange is being used for financing military supplies imported from abroad for the Japanese fighting forces in China. These purchases of foreign exchange, in addition, weigh heavily upon the Shanghai money market and thus contribute to the Japanese policy of undermining Chinese national currency, and tapping Chinese exchange reserves.

(3) In certain instances, Japanese military expenditures in China allegedly have been directly financed out of collections of Chinese customs revenue.

Of course, the Japanese military and diplomatic spokesmen will deny everything. Of course, they will claim that these allegations are false. It is up to them, however, to open the books of the Yokohama Bank for thorough inspection by the representatives of foreign holders of Chinese customs-secured loans, and to give a definite accounting of these customs funds. This the Nipponese Army would never permit.

The Anglo-Japanese customs arrangement of May, 1938, may thus turn out to be one of the worst diplomatic blunders ever committed by Great Britain in the Far East. Other Powers which concurred, nominally or otherwise, cannot escape blame.

Foreigners first assumed a "trusteeship" over Chinese customs revenues at the time of the Taiping Rebellion in the middle of the last century. When the Boxer indemnities were enforced, after 1900, the Powers practically assumed control of China's customs revenues, with Great Britain in commanding position. But in neither case did the powers "misuse" China's revenues. Under the old five percent *ad valorem* tariff, all revenue remaining over after payment of interest and amortization on loans, was turned over to the Chinese Government for its own use. After the National Government had obtained tariff autonomy (1917) the Government itself assumed responsibility for paying interest and amortization on the loans which were secured on customs revenues. These obligations were faithfully observed.

Thus, for the first time in China's history, has the country been forced, through no fault of its own, to default on its customs-secured foreign obligations. The arrangement, which was negotiated in Tokyo by E. L. Hall-Patch, Financial Adviser to British Embassies in the Far East, paved the way for the introduction of the present customs tariff in Japanese-occupied areas, and for Nipponese "trusteeship" of Chinese customs funds. The arrangement was never implemented, but the Japanese have availed themselves of all the advantages which the arrangement held out to them, while rejecting all of its obligations.

The British authorities, in agreeing to the Japanese control of customs revenues, had two objects in view: First, they wished to preserve from disruption the Customs Administration built up by British genius and, so far as foreign personnel is concerned, largely staffed by Britons. Second, the British authorities desired to protect the interests of foreign bondholders, the majority of whom probably reside in Great Britain. The British undoubtedly thought that by making a deal with the Japanese that they could assure regularity in the Customs Administration. Other Powers, in advising their nationals to pay the rates imposed by the Japanese, undoubtedly had similar ideas. It is likely that the civil officials in Japan, who negotiated with Mr. Hall-Patch, had similar ideas. But the inevitable has happened. Under pressure of their warlords, the Japanese have not only seized and converted to their own selfish purposes, revenues belonging to the recognized government of China, but in addition have violated treaties and international good faith by defaulting on the foreign loan services.

The British authorities apparently failed to realize in time that the negotiation of this arrangement played into the hands of the Japanese, who have been able to claim foreign consent to something which they intended to do anyway—the seizure and private use of Chinese public revenues. China's refusal to pay over to Japan, in the midst of war with that country, the Japanese share of the Boxer Indemnity, which to the amount of £300,000 is being held in a Suspense Fund in the Hongkong & Shanghai Banking Corporation, also was to be foreseen. Likewise the Chinese refusal to agree to the Anglo-Japanese customs arrangement was also expected. Thus it seems logical to assume that Japanese consent to the arrangement instead of outright seizure as threatened by the Japanese military authorities, was for the purpose of using China's expected refusal to hand over the indemnity payment as justification for not implementing the arrangement as a whole—thus providing a sort of foreign approval for what amounts to outright seizure and illegal use of Chinese customs funds.

Catholic Priests Ordained at Siccawei Cathedral

Twenty-five Roman Catholic priests were ordained at a special ceremony at Siccawei Cathedral on Wednesday morning of this week. There were seven different nationalities represented in the group, which also included 14 Jesuits. By nationalities there were five Spaniards, three French, two Americans, one Austrian, one Belgian, one Canadian and one Chinese in the Jesuit group. In addition, there were eleven from the Chinese clergy, two being from the mission at Shanghai, four from Nanking and five from Haimen. The names of those ordained were as follows,

Five Spanish Jesuits:—Wuhu Mission, Fathers Barandiaran, Eguren, Totoricaguena; Anking Mission, Fathers Garcia, Larrucea.

Three French Jesuits:—Shanghai Mission, Fathers Briere, Bugnicourt; Sienhsien Mission, Hopeh, Father Laoggy.

One Belgian Jesuit:—Sienhsien Mission, Hopeh, Father Lichtenberger.

Two American Jesuits (Province of California):—Shanghai Mission, Fathers Deward, O'Hara.

One Austrian Jesuit:—Father Bruckner of the newly-erected Prefecture Apostolic of Chinghsien, Hopei.

One Canadian Jesuit:—Hsuchow Mission, Father Belhumeur.

One Chinese Jesuit:—Shanghai Mission, Father Philip Ting.

The eleven ordinandi of the Chinese Clergy are:—

Shanghai Mission, Fathers Stanislaus Tsang and Mathias Zen.

Nanking Mission, Fathers Joseph Kiong, Matthew Mo, John Yang, Sivester Zi.

Haimen Mission, Fathers Joachim Sen, Martin Tsu, Simon Waong, Marcus Zi, Stephen Zi.

89-046

Sells Japanese Steel Plant But Says "They Can't Run It"

IN view of the reports from the United States regarding an impending embargo on munitions and basic war materials to Japan, it must have caused a considerable shock to the Chinese and American friends of China to read in their newspapers on May 31 that an American company had sold the Japanese a modern steel plant. On April 27, practically a month previously, Senator Key Pittman, chairman of the Senate Foreign Relations Committee, had introduced a bill in the Senate giving the President power to withold from Japan munitions and war materials in retaliation for Japan's action in violating the Nine-Power Treaty and interfering with Americans and their activities in China.

The American company which sold the steel plant was the United Engineering and Foundry Compay of Pittsburgh, Pennsylvania. It was purchased by the well-known Japanese Shibaura Engineering Works of Tokyo, which is now engaged in major war activities. The deal really amounts to a cooperative arrangement because the new company to be formed, with a capital of Yen 16,000,000 will contain Yen 7,840,000, or 49 per cent, supplied by the American interests who will have two men on the Board of Directors, George Tallman Ladd and Charles Muchnic, the first being president of United Engineering and Foundry and the second, foreign sales manager. The American company will also keep a representative in Japan to watch its interests. The American interests will also supply a large number of technical men to teach the Japanese how to operate the complicated plant.

There are numerous elements in the deal which will not arouse enthusiasm among either Americans or Chinese and in addition will arouse suspicion elsewhere regarding the sincerity of the United States in opposing Japanese expansionist activities in China, but at the same time continuing to sell the Japanese the instruments of aggression, particularly a modern steel plant.

A major purpose back of the deal, obviously, is to enable the Japanese to withstand economic pressure in the event the United States and other countries decided to enforce an economic boycott. With the enormous stock of scrap-iron which Japan has stored for emergency, the new American-designed and operated plant will enable the Japanese to carry on—despite a statement by Mr. Ladd of the American company that the Japanese "don't know how to run the plant."

The United Engineering and Foundry Company is one of the largest makers of steel mill equipment in the United States. Many of its inventions have been revolutionary, particularly the development of the "strip-mill" which enables the rolling of continuous steel strips, bars and plates. In order to fill rush war orders from Japan in 1936, Mr. Ladd bought a mill at Wooster, Ohio (at a bargain price). Recently, when orders began to fall off due to Japan's lack of cash, Mr. Ladd had practically decided to abandon the Wooster plant when he was approached by Kisaburo Yamaguchi, president of the Shibaura Engineering Works, to purchase the plant complete. The deal was concluded by Mr. Ladd personally in Tokyo early in May and it was immediately announced in Wooster, Ohio newspapers that the plant was being dismantled and shipped to Japan, "lock, stock and barrel." Other equipment not available in the Wooster plant will be supplied from other mills of the American company.

It was announced in Tokyo on May 31 that Mitsui Gomei Kaisha and Mitsui Bussan Kaisha are also large stockholders in the new enterprise, which will be the largest of its type in the Japanese Empire.

Fear was expressed in the United States that the sale of the large mill to Japan would enable the Japanese to become independent of American supplies of steel plate, particularly in view of the announcement that the Japanese were also planning to manufacture rolling mill machinery themselves on a large scale.

According to a report in *Time* (May 8) the Japanese had purchased several large German-style rolling mills but they had become "outmoded" by the invention of the American "continuous strip process." It was also stated that the Japanese had purchased, some time ago a mill of this type from the American Mesta Machine Company, but there had been no announcement of this deal either in the United States or Japan. The Wooster plant, when operated in the United States, turned out U. S. $3,500,000 worth of steel-making machinery annually. It was expected that the mill might turn out half this amount when operated by the Japanese.

According to the report in *Time*, Mr. Ladd's father, George Trumbull Ladd, former Yale professor, had once lectured in Japan, for which he had received the third and second orders of the Rising Sun. When he died, half of his ashes were buried in a Tokyo temple and a monument erected to him. Recently when the son, George Tallman Ladd, visited Japan to conclude the steel-mill deal, the Japanese engaged 150 Shinto priests to perform a ceremony over his father's ashes.

In view of the direct bearing of the steel-mill deal on American policy in the Far East, it was thought that American organizations concerned with raising funds for Chinese relief, as well those interested in promoting an embargo on munitions and war materials to Japan, would raise serious objection to the sale of the plant to Japan.

British Editors Rebel Against Press Censorship (in England)

(*Newsweek, May 15*)

The British press wears five tight muzzles: (1) stringent libel laws; (2) the Incitement to Disaffection Act of 1934, which could hush any pacifist campaign; (3) the Official Secrets Acts of 1911 and 1920, broad laws prohibiting government employes or their servants from imparting any information gained in the course of their employment to any person; (4) the publishers' own British sense of responsibility, which operated so successfully in the Simpson case, and (5) "D"—for danger—notices.

Of them all, the last is becoming most irksome. The "D" notice—devised by the government in 1911 as a bit of friendly advice to kill a specific story—has no legal standing as yet; it operates as a hint to publishers that the authorities don't like a certain subject and request "discretion" in handling it. The publishers' weighty sense of responsibility usually does the rest. But last month, the hitherto meek British press showed signs of rebellion over two such notices.

One was issued on the night of Apr. 4, when Earl Stanhope made his now famous "The guns are manned" slip while addressing sailors aboard the aircraft carrier Ark Royal. Something over an hour later, as his words were circling the globe via wire and radio, the news agency teletypes tapped out: "Private and confidential memo to editor. We are asked by the Admiralty to issue the following 'D' notice: 'In the national interests the speech of Lord Stanhope, First Lord of the Admiralty, in the Ark Royal tonight should not be published'."

The lateness of the request angered most London editors: yet all save two ripped open their pages and complied. The *News Chronicle*, after some hesitation, published the speech in its late editions. The *Daily Sketch* printed it in all editions, declaring "Both patriotism and public spirit demanded . . . its frank, unfettered publication."

Six days later the War Office put on a "D" notice on news of the strengthening of Malta, after the story had been in the London evening newspapers for several hours. An hour and three quarters after its issuance, the notice was withdrawn.

This apparent bungling on the part of officialdom further enraged editors. But the government presented a characteristically vague target; no one knew the exact source—or sources—of the two "D" notices. Furthermore, Prime Minister Chamberlain, Home Secretary Sir Samuel Hoare, and Chancellor of the Exchequer Sir John Simon—usually tight-lipped and curt in their dealings with the press—already had received so many blasts that one more salvo more or less would make no difference.

In consequence, *World's Press News*, trade journal of the British publishing world, set up its own target—a mysterious, shadowy "Ministry of Information"—and opened fire: "When, last September [during the Munich crisis] *World's Press News* revealed the existence of a Ministry of Information, a 'D' notice was issued to 'prevent undesirable speculation,' pending issue of an official statement. There is still no official statement. *W.P.N.* hopes that following publication of this week's news Whitehall will give a frank explanation. . . . It can be stated that Lord Stanhope, . . . hero of the 'D' notice comedy, is is no longer acting as Minister of Information. . . . Lord Stanhope's position is being filled by Sir Samuel Hoare."

Last week, *World's Press News* felt it had hit the mark with that reference to Sir Samuel. At the annual dinner of the British Newspaper Society, the Home Secretary said that "of course there must be censorship" of newspapers in wartime, adding the pious hope that it might harmonize with "the general conception of the place the press should occupy in national life as a safety valve of purification and an independent bulwark of public morale."

Among working British newspaper men there was another suspicion: that Prime Minister Chamberlain was using well-planned "slips" and subsequent "D" notices to underline bristling bits of preparedness information for the benefit of Mussolini and Hitler.

89-047

Hitler Scores by Pacts With Estonia and Latvia; Japan Perturbed by Possibility of Hitler-Stalin Deal

PROBABLY at no other period in all history has the international scene undergone transformations so rapid as those to be observed at the present time. The ordinary newspaper reader, the "man in the street," can be sympathized with in his bewilderment. Yet much that appears to be mysterious and inexplicable at first glance falls into a logical and consistent pattern if it is borne in mind that the current diplomatic dickerings and maneuvers—in Europe and in the Far East—are all the moves of major states engaged in lining up allies and creating, or endeavoring to create, strategic advantages for themselves in a war which they regard as inevitable, no matter how long the actual outbreak of hostilities may be delayed.

In this pre-war game, the advantage passes alternately from one side to the other. Last week, Soviet Russia, using the none-too-veiled threat of a deal with Germany in order to whip Britain and France into an all-embracing military alliance, appeared to have placed herself in a highly advantageous position to make a deal with either the democracies or with Hitler, but signs are now evident that Moscow is in danger of overplaying its hand.

On May 31, Foreign Commissar Molotov delivered his eagerly-awaited speech on Soviet foreign policy, which was the preliminary to Moscow's formal reply to the Anglo-French proposals for a triple alliance embracing Britain, France and Soviet Russia. He commenced his speech with some disparaging remarks regarding the politicians of the democratic states, accusing them of having deviated from the policy of collective security and substituting for it the policy of non-intervention which, he said, had ended in a complete fiasco.

He went on to say that the Western Powers had now accepted the Soviet view that in order to secure peace an "effective treaty of alliance" between Soviet Russia, Britain and France—though of a purely defensive character—was necessary. This acceptance of the Soviet view, however, was accompanied by reservations, among them being the demand that the obligations to be undertaken by the three powers should be tied in with the mechanism of the League of Nations. If this were accepted, Molotov contended, the alliance might acquire a purely fictitious character. Moscow therefore rejected this reservation.

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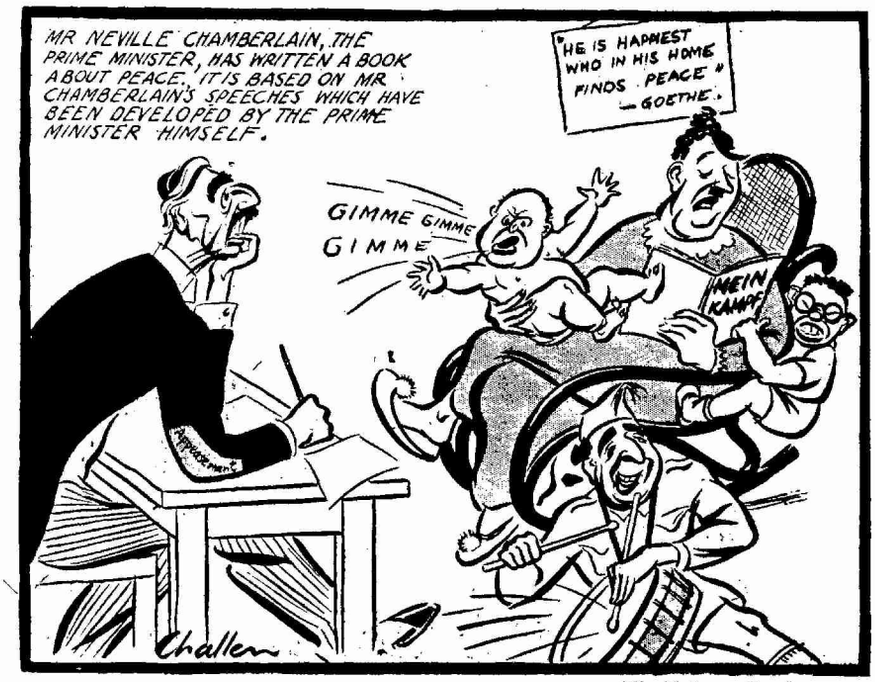
MOLOTOV then went on to state the demands of the Soviet Government. First of all he insisted that all states bordering on Soviet Russia, without exception, be included in the system of guarantees which the proposed alliance envisaged. That is to say, the Baltic states—Estonia, Latvia and Finland—must be included. Secondly, he said, the Soviet Government demanded that the form and extent of the automatic assistance to be given each other by the partners to the alliance be stipulated at the very beginning, in the treaty itself.

As if to emphasize the strong diplomatic position of Moscow, Molotov then delivered himself of the airy remark: "We do not demand that the others accept our view, but we shall not move one step from these terms." And then, to make sure that London and Paris had something to worry about, Molotov made the inevitable references to Germany and Italy. Although trade talks with Germany during the past few years had not led to any positive results, the Soviet Government would not place any obstacle in the way of their resumption, he declared, adding that the agreement with Italy was working satisfactorily.

The Foreign Commissar then revealed the hitherto undisclosed fact that at the end of 1938 the German Government offered Moscow a credit of 200,000,000 marks and expressed "readiness to make a number of concessions," but because of "disagreements"—the nature of which Molotov did not state—negotiations were discontinued. Then followed a threat in the direction of Britain and France: "To judge by certain signs, it is not out of question that negotiations (with Germany) may be resumed."


MR NEVILLE CHAMBERLAIN, THE PRIME MINISTER, HAS WRITTEN A BOOK ABOUT PEACE. IT IS BASED ON MR CHAMBERLAIN'S SPEECHES WHICH HAVE BEEN DEVELOPED BY THE PRIME MINISTER HIMSELF.
"HE IS HAPPIEST WHO IN HIS HOME FINDS PEACE" —GOETHE.
GIMME GIMME GIMME
MEIN KAMPF
Challen

The Tribune, London

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THAT this final remark was intended to stampede London and Paris into a hasty acceptance of the Soviet terms for an alliance is as plain as anything can be, but the British and French reactions, following the formal transmission of the Soviet terms to London and Paris, must be causing the Moscow chess-players not a little uneasiness. The British Government is not at all anxious to commit itself to war in defense of any one of the Baltic states, any more than it was prepared to go to war in defense of Czechoslovakia. The Baltic states, for their part, have plainly intimated that they don't want any Soviet protection and will refuse to be drawn into the alliance scheme, preferring to maintain an attitude of neutrality as between the two big rival coalitions in Europe. Estonia and Latvia backed up this position, on Wednesday of this week, by signing non-aggression pacts with Germany—a decided diplomatic triumph for Hitler and an equally important set-back to the alliance scheme of the democracies.

The French press, which for weeks has been insisting on the conclusion of a tripartite alliance between Britain, France and Soviet Russia, is showing irritation at Soviet insistence on a blanket alliance. The *Petit Journal* sharply criticized Moscow's tendency to maneuver Britain and France into "a dangerous policy of automatic intervention" in the Baltic region," while the semi-official *Petit Parisien* asked why Moscow insists on guarantees for the Baltic states, since neither Finland nor Estonia have shown any inclination to turn to Soviet Russia for help in the event that they are threatened.

London press reactions have been even sharper. The *Daily Express* on Tuesday of this week openly demanded a rupture of the Anglo-Soviet negotiations, declaring that if thus far it has proved impossible to reach an agreement "it must be evident that a satisfactory bargain cannot be achieved." Moscow's demand for guarantees to the Baltic states were dismissed with the remark: "The Soviets demand too much."

⁂

IT is evident that opinion is hardening in Britain and France against the conclusion of an alliance with Soviet Russia. The prospects of such an alliance, incidentally, are regarded with extreme distaste by the Vatican and several reports from Europe this week suggest that the Pope is throwing the weight of his influence against it.

In sum total, the developments of the past week have tended to reduce the diplomatic advantage previously gained by Moscow and to shift the balance in favor of Germany. While London and Paris, on the one hand, and Moscow on the other, wrangled over the terms of the proposed alliance, Hitler stole a march on both camps by entering into non-aggression pacts with Estonia and Latvia—two of the Baltic states which Moscow wants to guarantee against German aggression! Finland may be expected to follow suit in short order.

But this was not the only point that Hitler scored. Prince Paul, Regent of Yugoslavia, was in Berlin at the beginning of this week and engaged in a lengthy conversation with Chancellor Hitler on Monday evening. At the conclusion thereof, an official communique informed the world that the talk had been conducted in a spirit of "confident friendship and close cooperation which binds Yugoslavia to Germany and Italy," adding that the Reich and Yugoslav governments are determined to strengthen their mutual relations in the political, economic and cultural fields. Although it was not stated that any definite agreement was reached, the tone of the communique shows clearly enough that Yugoslavia has been drawn into the orbit of the Axis powers and this may well be the prelude to lining up all the countries of the Balkan Entente, with the exception of Turkey, which by the recent Anglo-Turkish agreement seems to have come down firmly on the side of the anti-Axis powers.

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IT is hardly possible to calculate the extent to which the diplomatic happenings of the past week may have increased the chances of a Soviet-German rapprochement, since the position of Nazi Germany has apparently been strengthened to such an extent that Hitler can make even stiffer demands on Moscow than Moscow was able to make on Chamberlain.

Japan, however, is visibly perturbed by the possibility of a Soviet-German agreement, for that would leave Soviet Russia free to handle Japan, and Japan would no longer have a single ally of any consequence. On June 2, a Foreign Office spokesman in Tokyo asserted that there was "little possibility of a rapprochement between the Soviet Union and the Third Reich." This was another way of saying that Japan does not desire such a rapprochement, for the technique is now a familiar one to those who have followed the *Havas* dispatches of the past weeks, with their repeated assertions that an Anglo-French-Soviet agreement was "imminent," meaning that French diplomacy wanted it.

Absolutely Incurable!

WAR THREAT
EUROPE
HATE
DON'T GET TOO EXCITED ABOUT HIM — HE'S BEEN GOING ON A RAMPAGE, REGULARLY, FOR THE PAST TWO THOUSAND YEARS; AN' THERE'S NOTHING YOU CAN DO ABOUT IT!
U.S.
HISTORY
Copyright 1939, by Chicago Tribune

The Chicago Tribune

An even more pointed hint to Hitler was given by the *Yomiuri Shimbun*, which said it was Japan's "fixed policy" to strengthen the Anti-Comintern Pact. "It is the consensus of world opinion," the paper continued, "that the Soviet Union is definitely out of the picture as a country capable of waging war with a foreign power, as revealed by the bloody purge and also by the results of the series of border incidents. The Soviet Union is now returning to its old policy of isolation by dismissing Maxim Litvinov, who went too far in his pro-British policy."

The paper charged that Molotov's speech was a "Machiavellian move to divert the Anglo-French camp, on the one hand, and on the other to split the Italo-

German-Japanese Anti-Comintern Bloc." Molotov's "significant references" to trade agreements with Italy and Germany, as well as to the alleged absence of an Anti-Comintern complexion in the treaty of alliance recently concluded between Germany and Italy, were designed to alienate Italy and Germany from Japan.

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BUT if the Soviet Union is "definitely out of the picture," why this concern? Is it not because there is a real fear in Tokyo of a German-Soviet rapprochement which would leave *Japan* out of the picture? Is it not just possible that Japan is provoking all those "incidents" on the Manchukuo-Outer Mongolian border in order to demonstrate the prowess of the Japanese Army and convince a skeptical Hitler that Dai Nippon is a more desirable ally than Soviet Russia? Japan's position is a desperate one, and desperation is a fertile soil for adventuristic deeds. It is not impossible that Japan may deliberately provoke a war with Soviet Russia in order to prevent a Stalin-Hitler agreement, if such becomes imminent. Such a move might compel Hitler, from purely practical considerations of policy, to aid Japan against Soviet Russia, for it would never do to allow Bolshevism to lick Japan in the Far East and thus emerge more formidable than ever in the West.

Reports from Tokyo this week declare that the "Inner Cabinet" has at last decided Japan's "fundamental policy for dealing with the new European situation" and that the decision was conveyed to the Emperor by Baron Hiranuma, the Premier, on Monday afternoon. But significantly enough, no hint has been given publicly as to what this "fundamental policy" is. Considering all the circumstances, it is not unlikely that it is a fundamental policy of "wait and see," but with at least the clear understanding that everything possible shall be done to prevent a Hitler-Stalin agreement, a development which would compel Japan either to make war on Soviet Russia or—reach an agreement with Britain and France.

F. G.

Tokyo Reports More Border Clashes But Moscow is Mysteriously Silent

WHILE the Japanese *Domei* news agency continues to report armed clashes on the borders of Manchukuo-Outer Mongolia-Siberia, the Soviet Government in Moscow is either ignorant of these events or else refraining deliberately from mentioning them. None of the *Domei* reports has received mention, must less confirmation, from Soviet sources.

On June 5, *Domei* reported from Tokyo that "Manchukuoan border tension burst into the spotlight again today as dispatches reported a new battle near Changlingtze, north of Changkufeng, and the massing of 400 Soviet airplanes in the Nomonhan area." The usual charge was made that Soviet soldiers invaded Manchukuo territory on June 1 and 3, the Soviet side sustaining 16 casualties, including six killed. Changkufeng was the scene of a serious Soviet-Japanese clash in August, 1938.

The report went on to say that Japanese and Soviet forces were confronting each other across the border, near which 700 Soviet sharpshooters had been concentrated, together with about 10 tanks and six field guns. It was also charged that two Soviet planes, which had presumably taken off rom Novokilvsk, dropped three bombs at Maanshan, near Changkufeng. Subsequently they reconnoitered over Keiko, Korean border town, and Changlingtze.

The same agency reported that "ominous calm" prevailed along the Manchukuo-Outer Mongolia border in the Nomonhan district, and that 400 Soviet planes had been massed there, having been sent from Chita and Nerchinsk.

Immediate cessation of "provocative actions" by Soviet troops along the Manchukuo frontier was demanded June 6 in a note presented to the Soviet Consul-General in Harbin, M. Rogoff, by Tatsuichi Kohno, acting Manchukuo Foreign Affairs Commissioner, *Domei* reported from Hsinking. The agency said that Soviet-Manchukuo clashes had been accumulating rapidly since May 10, when Soviet forces fired on Manchukuo gunboats.

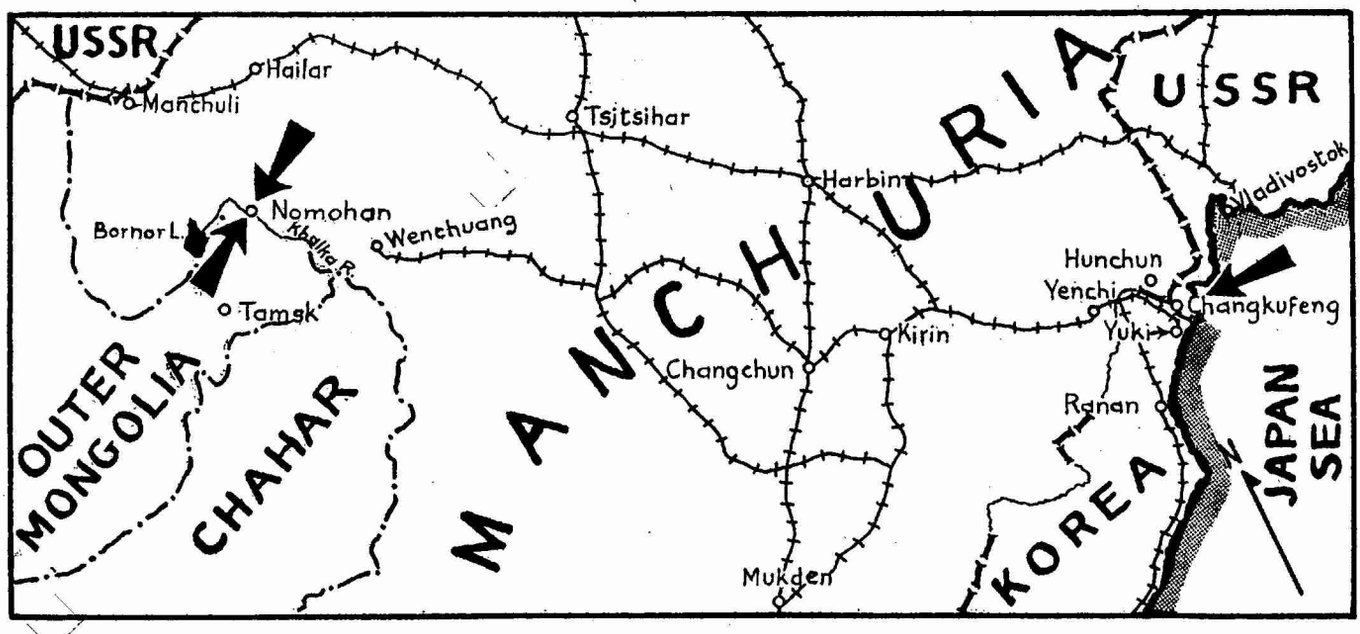
A *Transocean* message from Moscow the same day reported the departure for the Soviet Far East of a large number of senior Soviet staff officers for purposes of frontier inspection, thus indicating, the agency said, that the Mongol-Manchurian border situation is considered "quite strained." The agency remarked on the complete silence of the Soviet press regarding the reported border incidents.

Warships for Far East?

On June 3, *Domei* reported from Tokyo that 18 Soviet warships of the Black Sea Fleet had passed through the Dardanelles, "reportedly en route to the Far East."

The Presidium of the Supreme Soviet has decided, according to *Tass*, to perpetuate the memory of the Changkufeng clash last year by renaming the Possyet district the "Khassan district" (it was near Lake Khassan that the clash occurred) and to erect a monument to the Soviet soldiers killed in the clash. It has also proclaimed August 6 (the date of the clash) a holiday for the First Special Red Banner Army, "a day when the units of that army undertook a general offensive . . . and cleared the Soviet land of the Japanese usurpers."

Scenes of Japanese-Reported Frontier Engagements



Wang Ching-wei's Movements Cause Speculation

WHERE is Wang Ching-wei? Is he in Shanghai, in Tokyo or still in hiding at Hanoi? What after all is he doing? These are questions that continue to arouse speculation. With conflicting reports in circulation concerning his alleged movements and activities, an element of mystery is developing around the elusive personality of Wang, which proves most baffling to Shanghai's newsmen.

Wherever Wang may be at this particular moment, all reports tend to agree that he has left Hanoi. Apparently, Hanoi no longer provides him safe sanctuary, following the assassination of his secretary, Tseng Chung-min, several months ago.

Conferred with Hiranuma

What Wang did in Tokyo, if he actually went there, is also a matter of conjecture. *The China Press* report asserted that he conferred with the Japanese premier, Baron Hiranuma, and other Japanese leaders, including the bellicose Education Minister, Gen. Sadao Araki, on the formation of a new "Central Government" in the Japanese-occupied areas in China. Some tentative agreement was said to have been reached on the subject, with Wang scheduled to visit Tokyo again in the near future to perfect arrangements. It is expected that Wang would come into the open to sponsor the organization of such a regime following his return to Shanghai.

Meanwhile, Wang's plans are not going well in China, as serious opposition is being raised by the existing puppet administrations in Peiping and Nanking. Wang Keh-min and Liang Hung-chih, heads of the two regimes respectively, are reported to be doing everything within their power to frustrate Wang's scheme, fearing that they may be ousted from their present positions. For this reason, Wang recently sent a representative in the person of Chen Lien-pai to Peiping to see Major-Gen. Kita (head of the Japanese Secret Service in North China) and Wang Keh-min. Chen, it may be recalled, was formerly leader of the Cantonese volunteers who rebelled against Dr. Sun Yat-sen. When his revolt failed, Chen fled to Hongkong and has since been a fugitive in the British Colony. Chen is said to have been entrusted with the mission of organizing the North China branch of the socalled "International Peace Society" under the leadership of Wang Ching-wei. Wang allegedly has drafted a manifesto to be issued on the formation of the society, which has been submitted to the Japanese for approval. Should Chen's mission prove successful, Wang would shortly call a conference at Shanghai of leaders of the puppet administrations in Peiping, Nanking and other Japanese-occupied areas.

What purported to be a reaction of the National Government towards Wang's activities was contained in a Japanese report, alleging "wholesale arrests" on May 25 and 26, by the Chungking Garrison Headquarters, of Wang's former associates, including Chen Shu-jen, chairman of the Overseas Affairs Commission, and Peng Hsueh-pei, vice-minister of communications. The report was, however, categorically denied in Chungking, as these two officials are attending their offices as usual.

Nevertheless, the government is evidently watching closely Wang's activities. Gen. Feng Yu-hsiang, vice-president of the Military Affairs Commission, severely castigated Wang for his so-called "peace policy" in a recent speech at Chungking. Recalling Wang's "peace proposals" made last December, Gen. Feng said that at that time many people predicted that those proposals were the prelude to Wang's degradation and his

According to a report in *The China Press*, Wang is today definitely in Shanghai, although his exact whereabouts are shrouded in mystery. Wang, the report revealed, arrived at Shanghai secretly in the early part of May. He went to Tokyo and was said to have returned here last week. What tends to confirm Wang's presence in this city is the fact that his former residence in the French Concession is being renovated, fortified and heavily guarded by plain-clothes and uniformed policemen. It is not believed, however, that he is at present staying at the house, as the Concession authorities are said to have expressed lack of enthusiasm over having him reside in the area under their jurisdiction. Most probably, Wang is in the safe-keeping of the Japanese north of the Soochow Creek.

When Japanese Raiders Bombed Chungking on May 4

Photos by Mary Fei

These pictures tell their own story of the devastation and terror visited on China's provisional capital by Nippon air raiders. The two views at left show raging conflagrations started by incendiary bombs. Above is seen one of the many victims, a rude coffin- waiting to receive his remains.

utilization as a tool by the Japanese. These predictions have now come true by reports that Wang is colluding with the Japanese. Gen. Feng characterized Wang as a piece of "decomposed flesh" which must be cut off, so that "new flesh may grow."

Kidnappings by Japanese

More cases of Japanese armed kidnappings were reported in Shanghai last week. Yi Kwan-hua, alleged to be chief of staff of the People's Self-Defense and Anti-Japanese Corps, was arrested by the Japanese gendarmes on May 22. He is now said to be detained in the Japanese Garrison Headquarters in Hongkew. Seven other Chinese, all members of the Loyal and Righteous Salvation Army, were also seized and their fate is unknown. Counteracting the Japanese round-up of Chinese loyalists was the shooting on Nanking Road of a puppet official, Tien Wen-kwei, head of the "Chinkiang Peace Maintenance Committee." Tien was wounded, but not fatally.

Hangchow has a new puppet mayor in the person of Wu Nien-chung, whose antecedents are little known. Wu succeeds the late Ho Tsan, who was assassinated on Jan. 22 last.

Apparently the Japanese military in Nanking are facing a shortage of educated puppets to do their errands. For this reason, Nanking's education ministry has been instructed to select Chinese youths to be educated in Japan "at the expense of the Japanese government." A total of 138 boys are expected to be chosen from North and Central China to be sent to Japan immediately for seven months of "intense schooling in Japanese" at the Toa School in Tokyo.

The number of opium dens or "special trade" shops in Peiping is mounting. Of the total of 23,355 commercial establishments in the former capital, 1,286 are shops engaged in opium traffic.

The Coastal Blockade

The Japanese naval blockade of the China coast, the "Yarnell spirit" and the Molotoff address formed subjects of comments by the Chinese press in Shanghai. Pointing out that the Japanese have invaded China without making a formal declaration of war, the *Shun Pao* declared that, from the standpoint of international law, Japan has no right to blockade the China coast and no justification for searching foreign vessels. What struck the journal as most significant was the careful discrimination made by the Japanese in dealing with American shipping in Chinese waters. American ships have been permited to navigate freely along the China coast, but British and French ships are frequently interfered with. Japan's idea is apparently to discourage unity of action by Britain and France with the United States and to win the goodwill of the latter. However, the *Shun Pao* warned, the United States should realize that it would be impossible for American interests to remain in the Far East after the expulsion of British and French interests by Japan. Washington, therefore, should take parallel action with London and Paris in dealing with Japan's illegal blockade of the China coast.

The *Morning Leader* called attention to the fact that the Japanese blockade is being instituted more for the purpose of undermining foreign trade with China than of preventing the transit of China's arms supply from abroad. If the Japanese intend to achieve the latter object, the journal contended, they should blockade the Indian Ocean, as since the fall of Canton China's arms imports have been transported principally by way of the Yunnan-Burma highway and not the China ports. Another possible explanation of the Japanese action, the paper said, may be that it is meant as a warning to Britain and France against the possible extension of their anti-aggression policy to the Far East and the contemplated inclusion of China in the so-called "peace bloc." The journal expressed the belief that the Japanese would not dare to enforce a complete blockade of the China coast, as such an action is bound to provoke a serious conflict with Britain; France and the United States.

Tribute to Yarnell

Commenting on the impending departure of Admiral Harry E. Yarnell, commander of the United States Asiatic Fleet, the *Chinese-American Daily News* paid a glowing tribute to the statesmanlike manner in which Admiral Yarnell handled the difficult situation in Shanghai following the outbreak of the Sino-Japanese hostilities in 1937. The spirit in which the Admiral discharged his duties in the past two years, the journal said, had made a deep impression on the Chinese and foreign communities in Shanghai. It is a distinctly American spirit, and is directly in line with the anti-aggression and peace-loving spirit of President Roosevelt. Based on justice, peace and liberty, the Yarnell spirit, it is hoped, will continue to guide American policy in the Far East, though the Admiral may be leaving these shores shortly.

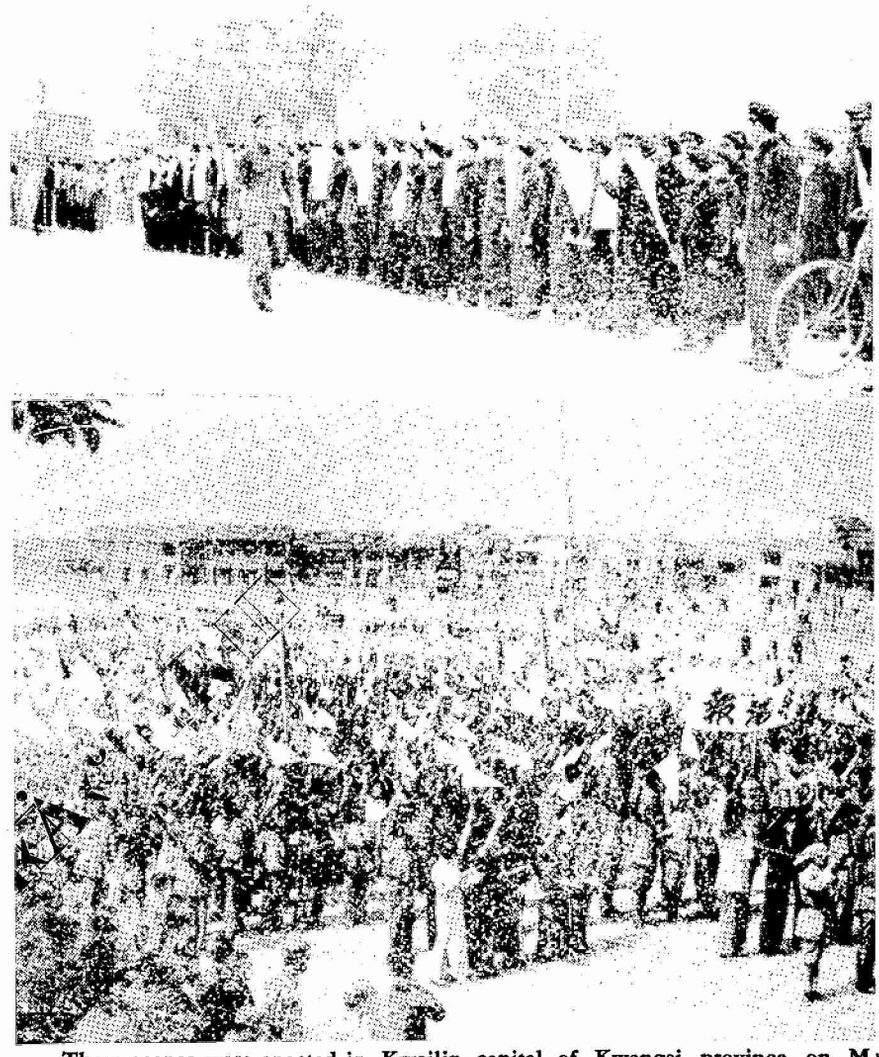
Nelson T. Johnson, American ambassador to China, who arrived at Haiphong on Monday from Hongkong, is continuing his journey to Chungking to resume his post. He is travelling to Kunming by air and from Kunming will make the trip to Chungking by motor car.

The Chinese press in Shanghai was favorably impressed by M. Molotoff's recent address in Moscow. The *Shun Pao* expressed gratification at his reiteration of the Soviet Government's continued support for China's resistance against aggression. Russia's assistance to China is similar in spirit to the formation of an anti-aggression bloc in Europe, which has been the subject of protracted negotiations between Britain, France and Soviet Russia, the journal observed. Referring to the Soviet objections to the Anglo-French proposals, as revealed by M. Molotoff, the *Shun Pao* asserted that they are so just and logical that they do not admit of any serious criticism. The policy of hesitancy and indecision pursued by Mr. Chamberlain and his friends is incompatible with the Soviet's idea of positive resistance against aggression. The *Shun Pao* expressed appreciation of the frankness with which the Soviet Foreign Commissar dealt with the diplomatic mysteries of the Anglo-Soviet negotiations. This is a striking and agreeable departure from the policy of his predecessor, M. Litvinoff, the paper added.

Diplomatic circles at Washington, while surprised at the action of M. Molotoff in publicly airing the Anglo-Soviet bargaining difficulties, thought it likely that the

(*Continued on page 56*)

Patriotic Scenes in the Kwangsi Capital



These scenes were enacted in Kweilin, capital of Kwangsi province, on May 1, International Labor Day. Above, a parade of workers carrying patriotic banners. Below, a gathering of young people celebrating Youth Week.

Myths and Contradictions of Japanese Propaganda

BY GUZO HAKWAISHA

Editor's Note—The following article, a penetrating and lively analysis of Japanese propaganda and an exposure of its fallacies and contradictions, has been written by a scholarly Japanese subject who received his education in the United States and is now understood to be living in Shanghai. Under the above pen-name he has contributed to many publications abroad.

PROPAGANDA is a well-developed art in Japan. Organized propaganda has indeed played a great part in the formation of the Japanese mind, as we know it today. As a single and outstanding example may be cited the position of the Japanese Emperor. Practically every Japanese knows of him; great numbers worship him as a living God. But there are men and women still alive today who in their youth did not know he existed; the common people of feudal Japan knew only their samurai masters, their own semi-independent fiefs; some may have caught a glimpse of their own feudal lord, though they knelt by the roadside with their foreheads to the ground whenever he passed them. It is organized education, both through the officially promoted Shinto Church and through the Government schools, that has wholly altered the situation. The picture of the Emperor—the Tenno (T'ien Hwang), Sovereign of Heaven, as he is known in Japan—hangs in every school. Every school child pays it reverence The first duty of a school-teacher, in case of fire or other disaster, is to rescue the sacred portrait; many have given their lives to do so.

Even more recent is the idea of Bushido. This was invented by the late Nitobe Inazo less than forty years ago. Even the word did not exist before that time; it can be found in no dictionary prior to the twentieth century. It was invented as a kind of "cultural supplement" to the Anglo-Japanese Alliance. The English had long before learned to garb their projects in the shining garments of the "White Man's Burden"; it was their solemn duty to bear this burden, taking over the onerous but patiently borne responsibility of ruling "the lesser breeds without the law." With the formation of the Anglo-Japanese Alliance, some foreign-educated Japanese recognized the propaganda value of pretending that Japanese militarism—like its new-found English patrons—followed a lofty and noble code. So "Bushido" was invented, based upon European conceptions of chivalry but presented as a "native code" of Japan.

Protected Common People

No such "samurai code" had ever existed. There have been, indeed, noble and chivalrous individuals, as elsewhere, but the only considerable group of men who ever had any code of protecting the poor and weak, maintaining right and justice, and devoting themselves unselfishly to such ends were the *otokodate* or *kyokaku* of Yedo in the early Tokugawa period. But this courageous and chivalrous body of men were organized *against* the ordinary samurai, and devoted themselves to the protection of the common people of the old feudal capital against the callous cruelty of two-sworded bullies, whose custom it was to try out a new sword upon a poor beggar or workman on the streets. But great numbers of Japanese, through intensive propaganda, have now come to believe in "Bushido," and actually think it is something native to Japan.

This synthetic code, however, was invented mainly for foreign consumption, in order to impress the type of Anglo-Saxon mind. It was invented at a time when such phrases as the "Open Door," "equality of opportunity," and "the territorial and administrative integrity of China" were being ardently echoed by the Japanese militarists and their propagandists. The official attitude towards some of these "ideals" has been altered somewhat in recent years, but new phrases have been brought into use—some for native consumption, some for foreign, some for both. Thus we are told that every new venture of the militarists, though it may face Japan with the prospect of absolute ruin and destruction, is a "matter of life and death for Japan." A phrase utilized by Yosuke Matsuoka, former president of the South Manchuria Railway, is "bearing the cross"—a phrase hardly understandable to most Japanese, involving as it does both the English conception of "bearing the White Man's Burden" and the Christian idea of the martyred Jesus carrying his heavy cross. Perhaps it is a rather unfortunate phrase, as Christ was carrying the cross for his own crucifixion.

The foreign propaganda of Japanese militarists covers a wide range. Most of it is written for persons of low intelligence, but there is also material for the more educated and informed. The late Dr. Nitobe was a propagandist who generally created a favorable impression on foreigners by his pretence of "liberalism" and "pacifism," always "deploring" the ideas of Japanese militarists but in every specific instance pointing out the "regrettable necessity" of whatever violent action they took against their neighbors. There have been many foreigners who have written propaganda for Japanese militarism and imperialism but none have ever come up to the level of the late Captain Brinkley, a quite scholarly man who really studied Japan as well as China, and who was a capable and active day-to-day propagandist as well.

Attempts of Japanese imperialist propagandists to reach the more intelligent foreigners are exemplified by such publications as *Comtemporary Japan*, a monthly "review of Far Eastern Affairs" published by the Foreign Affairs Association of Japan, a body with official connections and a long list of titled "Councillors" ranging from princes to barons, as well as a varied assortment of Japanese university professors. There are occasional foreign contributions to the magazine, but the great bulk of material is always by Japanese. It gains additional value by covering other fields than politics, including articles on art, science, finance, industry, etc., some of which are quite non-propagandist in any specific sense. Necessarily, however, it contains within itself marked contradictions. In the present (May) issue, for instance, Dr. Hayashi Kiroku of Keio Univeristy emphasizes, in an article on "International Problems of Force," that Hitler in relation to Czechoslovakia "proceeded under the aegis of the principle of racial self-determination, and on such a strong moral basis her position was unshakable." Immediately afterwards, however, he turns to the China conflict, and finds that "it is only just that the Japanese poeple (*sic*) who find all countries closed to them should seek an outlet for their expanding energies. Those who would find some excuse to condemn this or interfere with its progress cannot possibly stand upon a moral basis . . such persons close their eyes to any sense of international justice." Any informed and thoughtful person must immediately wonder what has happened to the unshakably "strong

The Normal Course of Expansion

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moral basis" of "racial self-determination" —as applied, for instance, to the Koreans, the Chinese, the Mongols, the Ryukyu Islanders, the South Sea Islanders, and other non-Japanese peoples under Japanese military imperialist rule. Have these Far Eastern peoples no right to "racial self-determination?"

The Cautious Approach

In general, the tone of this magazine is moderate and often scholarly, intended to attract rather than to repel thoughtful persons of education. An example of its "cautious" attitude is found in some of its book reviews, for instance the review of A. Morgan Young's "Imperial Japan," which starts off with the disarmingly appreciative and truthful statement that "for twenty-odd years Mr. Young has followed the imperial march of Japan, and few writers today possess a more comprehensive knowledge of the personalities, forces, and incidents which have colored the nation's life since the World War. The author is, therefore, eminently qualified to write . . ." But upon proceeding further, we discover that Mr. Young's "pronounced Anglo-Saxon outlook was never reconciled with a pattern of national development which challenged all his conceptions of political morality" —which is true so far as it goes—and that "his pages labor heroically but futilely to transcend the writer's over-powering prejudice." The review objects to the summary explanation of the "Manchurian incident" as "a mere imperialistic plot," and declares that "only facts supporting his picture of fanatical aggression have been drawn upon" by Mr. Young, concluding that "the superficial reader who can satisfy his intellectual appetite with tabloid explanations may find Mr. Young's effort a welcome palliative, but the serious student who seeks to penetrate behind the alarms and excursions of Imperial Japan must turn elsewhere"—which is precisely the resvere of the truth. The nature of the reviewer's appeal, however, is obvious.

Origin of "East Asia"

It may be noted that *Contemporary Japan* terms itself "a review of Far Eastern Affairs." This "Far Eastern" is significant. Some years ago the Japanese Government officially decided that the expression "East Asia" should be always substituted for "Far East"—a decision which Japanese generally approve. "Far East" is a natural enough expression for Anglo-Saxons to use about this part of the world, but it is obviously absurd for Japanese—or Chinese —to talk as if the world centered in England. For some, indeed, it does—or they pretend it does. But to find the expression in a semi-official publication is striking, and indicative simply of toadying to Anglo-Saxon conceptions of where the center of the world is located.

There are other collections of material, either in magazine or book form, intended to appeal to intelligent and educated elements among Western peoples, and cleverly mixing articles on Japanese language, culture, education, women, etc., with purely propagandist stuff on diplomacy, foreign relations, the press, the "spirit of Japan," etc.

Most Japanese militarist propaganda, however, both at home and abroad, is directed to persons of low intelligence. Some of it, like the "Nippon no Gaiko—Japan's Foreign Policy," prepared by the Tokyo Foreign Office's "Misinformation Bureau," is quite frankly for children. Most of it, however, shows no such candor, though clearly directed to the mentally immature.

Kawakami, Renegade Socialist

Among the better-known Japanese militarist propagandists, writing in the English language, is Karlmarx Kiyoshi (usually abbreviated to "K.K.") Kawakami. The extraordinary "handle" to his name is accounted for by the fact that he is a renegade Socialist, having been active in the Japanese Socialist movement before he decided to give "economic determinism" a more individual interpretation by going to work for the militarists. His books are a peculiar medley of fact and fiction which often say things which Kawakami's militarist patrons ordinarily prefer to keep quiet. In his book *Manchukuo: Child of Conflict*, for instance, we found him stating that "the Japanese Army . . . knew, as did all Japanese, that the troops could not be withdrawn" to the S. M. R. area in accordance with the promise made the League of Nations by the Japanese Government early in the invasion. In other words, the Japanese delegate to the League deliberately and knowingly lied—and furthermore showed his own contempt for his

Candidate for Freak Show

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fatherland by declaring that "Japan's honor is at stake" to faithfully carry out the withdrawal. Similarly, Kawakami let out a part of the truth about the increasing popular hostility to militarism a decade ago, stating correctly that "the soldier began to be regarded as the burden rather than the glory of the nation." Since that time the Army has become a heavier burden than ever—a burden which must soon break the backs of the Japanese people unless there is some relief—though Kawakami, of course, does not go into this.

Even more striking was Kawakami's (unintentionally) truthful interpretation of the Japanese bombing of the U.S.S. Panay and other foreign vessels on the Yangtsze in December, 1937. Kawakami was completing his propaganda book *Japan in China* at the time, and hastily added a comment on the bombing which endeavored to extenuate it by explaining that it was probably due to the Japanese militarists' "accumulated sense of injustice done to Japan" by foreign forces at Shanghai, which were "too exacting, not to say pin-pricking . . . towards the Japanese." Tokyo in the meantime, was trying desperately to wriggle out of possible consequences of the acts of its fanatically murderous airmen by declaring that the bombings were "accidental," the Japanese having thought they were engaged in the "legitimate" business—to which foreign Powers could not be expected to object—of bombing Chinese vessels. Kawakami's intimation that the attacks were both intentional and premeditated, and intended as retaliation against grievances of many weeks' standing, directly contradicted the official explanation made by the Gaimusho.

The mixture of strange outbursts of truth with the customary collection of propagandist falsehoods and ordinary misinformation is indeed a characteristic feature of Kawakami's books, so much so that an American writer has advanced the suspicion that the one-time Socialist perpetrates some of his works "as a deliberate burlesque on Japanese war propaganda!" But this is an over-estimation of Kawakami. He writes for money, and for an audience of limited intelligence, and cares no more about facts or consistency than do his imperialist patrons or his moronic readers. He does not *intend* to write burlesques, any more than he *intends* to tell embarrassing truths. But he is approaching seventy, and tending towards senility. Foreign publishers handle his works, but he is almost unknown in Japan, except among some of the older people.

Kinney and Gorman

Self-contradiction is common in Japanese militarist propaganda. Not only senile Japanese such as Kawakami, but unprincipled foreign propagandists such as Kinney and Gorman, give little or no attention to consistency. A common inconsistency is alternate or simultaneous toadying and threats. Kinney, for instance, at times speaks about "Japanese faith in American justice," "America's sense of fair play," etc., but in the same work balances his flattery by declaring that if Japan is not permitted to get what it wants in China it must "look elsewhere," and "there will be war" with America or England. At the present time, there is a considerable quantity of anti-British material in Japanese propaganda. Some of the denunciations are touched with a fierceness and bitterness characteristic of war, and indeed many Japanese publicists (not all of whom are supporters of the militarists) regard the present Sino-Japanese conflict as basically an Anglo-Japanese war.

One of the most outstanding contradictions in Japanese militarist propaganda at present is economic. On the one hand, it is set forth—both for "right-thinking" foreigners and for Japanese—that Japan is a poor "have-not" nation, lacking in resources, which must have Chinese resources in order to survive. Many books, pamphlets, magazine and newspaper articles have emphasized "Japan's inevitable necessity of expansion." As an S.M.R. propaganda pamphlet recently expressed it, "China is Japan's inevitable life-line and any attempt to check Japan therefrom is a physical impossibility." This has been hammered into the Japanese people, through every possible propaganda agency, for many years, in order to convince them that the crushing burden of militarism—the most immediate cause of the misery of the mass of the Japanese people—is in fact a means to a better life.

Gunboats Versus Rice

Japanese navalists have stated frankly at times—in a phrase which has been echoed by German imitators of Japan's feudal militarism—that gunboats are more important than rice. But this is too dangerously frank to be useful as a permanent slogan. The increasingly destitute and hungry masses who supply cannon-fodder for the militarists must be convinced that in some mysterious way the gunboats will provide rice instead of merely consuming it. Hence China—until recently it was Manchuria—is Japan's "life-line" and the seizure of its wealth is a matter of "life and death" for the Japanese people. But it is terribly and tragically clear to every intelligent Japanese economist that such "seizure" is physically impossible—as England and France learned when they attempted to "make Germany pay" twenty years ago—

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Marshal Wu Says 'No' Once More As Wang Ching-wei Arrives in Shanghai

MARSHAL Wu Pei-fu, retired northern warlord who is living in Peiping, has once again rejected a Japanese request to emerge from retirement and lead a "peace movement"—which, interpreted, means heading a central Chinese puppet government which will make a treaty with Japan whereby the latter would gain recognition of her conquests in China.

This fact was disclosed last Saturday by the Japanese-owned Chinese paper, *Hsin Shun Pao*, which published a reply sent by Marshal Wu to the "East Asia Anti-Communist League" in Shanghai. This was in response to a telegram from the League asking both Marshal Wu and Wang Ching-wei to "lead a peace movement."

Marshal Wu said that he and the peoples of both China and Japan realize the sufferings caused by the present hostilities, but explained that the one thing the Chinese are concerned about is their sovereignty.

When Peace Will Be Easy

"If the territory and administrative power remain intact, peace will be an easy thing to secure, like the turning of a hand," Marshal Wu reportedly asserted. He insisted, however, that both disputing parties should gather together and discuss peace sincerely by making open declarations, meanwhile ignoring temporary victories and defeats. He asked the Shanghai League to go ahead with its program in keeping with this policy and promised to join the movement if his aim can be carried out.

What Wang Ching-wei's reply was, if any, to the appeal of the "East Asia Anti-Communist League," was not disclosed by the Japanese-owned paper. But the same day that Marshal Wu's reply was published (last Saturday, June 3) it was reliably learned that Wang had arrived in Shanghai the previous day, although his exact whereabouts in the city could not be ascertained.

A *China Press* reporter visited the scene of Wang's former residence at the corner of Route Frelupt and Route Dufour in the French Concession and found it being guarded by police while workmen were busy effecting alterations, including the bricking up of windows, so that the house bears more the appearance of a fortress than a civil residence. This ostentatious display of precautionary measures might be calculated to given would-be assassins the impression that Wang was living in the house, although it is regarded as certain that Wang is actually residing in the Japanese occupied area north of Soochow Creek.

Wang's Recent Movements

Wang Ching-wei left Chungking toward the end of last December and issued a public declaration in favor of peace negotiations with Japan. This caused his removal from the post of Deputy Chief Executive of the Kuomintang and expulsion from the Party. From Chungking he went to Hanoi, French Indo-China, where, as far as is known, he remained at least until some time last month, when according to rumor he went to Japan and conducted negotiations with Premier Hiranuma and War Minister Itagaki.

The "East Asia Anti-Communist League" is a Japanese-sponsored organization, with headquarters in this city. The president is a Chinese, while the vice-presidency is held by a Japanese believed to be connected with the Special Service Section of the Japanese Army.

It has long been Japan's aim to establish a central puppet government for the occupied areas of China through the merger of the "Provisional Government" in Peiping and the "Reformed Government" in Nanking. The great and thus far insuperable difficulty has been to find the Number One Puppet. Marshal Wu Pei-fu was approached some time ago. Without rejecting the Japanese proposal out of hand, he stipulated certain conditions which the Japanese were not ready to comply with. Whether Wang Ching-wei was similarly approached is not definitely known.

Rejects "Peace Leadership" Offer

This is the latest picture of Marchal Wu Pei-fu, retired 62-year-old northern warlord whom the Japanese have been busy persuading—so far unsuccessfully—to head the central puppet government which they want to form for the occupied areas of China.

Wu's Ups and Downs

Born in a poor family 62 years ago, Marshal Wu has had an incredible number of ups and downs. At 14 he was left without a father and was compelled to peddle hardware to keep his family rice bowl full. Later he served as a sailor at the munificent salary of what at today's rate of exchange would be U. S. $0.50 a week. Still later, with the aid of the wealthy gentry of his town, he entered a military academy and graduated at the top of his class. His promotion, however, was slow and it was not until after the revolution of 1911 that he began to emerge from obscurity.

Linking his destinies with those of Marshal Tsao Kun, whom he eventually propelled into the presidency of China, Wu began to break into the headlines in 1916. By 1922, he was already sharing with Marshal Chang Tso-lin, an ex-bandit, the control of the northern half of China. As brilliant in military strategy as he was in intrigue, Wu took part in four major civil wars between 1919 and 1927. Pitted against the insurmountable obstacle of revolutionary enthusiasm, he suffered a crushing defeat at the hands of Gen. Chiang Kai-shek and went into retirement.

In the subsequent decade, he remained in seclusion in Peiping, writing poetry and studying the Classics. He was so thoroughly forgotten by new China that the National Government did not even bother to remove him from North China, where he was within easy reach of the Japanese Army's puppet-makers.

Doihara on the Job

As soon as Peiping fell into Japanese hands, Lieut-Gen. Doihara, Number One Japanese intriguer, immediately picked Marshal Wu for the task of wooing his compatriots into submission to the invaders. Gen. Doihara and his able assistants, Major-Gen. Harada in Shanghai and Major-Gen. Kita in North China, were in a desperate position. Their efforts to secure the services of men enjoying general respect remained fruitless. Those who did consent to "cooperate" were men of questionable integrity and commanded no following. Tong Shao-yi, a venerated Kuomintang elder wooed by Gen. Doihara, was removed from the political stage by axe-wielding assassins.

Wu, thus, remained the only candidate worthy of consideration. His prestige in North China was seemingly unshaken by his prolonged retirement from the limelight. Living in retirement on a retainer of $3,500 a month—barely enough to maintain his still large retinue—the 62-year-old warlord seemed easily amenable to pressure.

The Japanese, however, were deceived. Marshal Wu knew his market value and apparently did not intend to sell out except on his own terms. These included the organization of a Japanese-equipped army, armed assistance in extending his authority beyond the few Japanese-garrisoned cities, and appointment to the presidency of a "federal government," chosen for China by the Army brain-trusters in Tokyo.

The haggling continued for nearly a year. While Wu was backed by Gen. Doihara, other men and schemes were advanced by the rival cliques in the Japanese Army. The situation was further complicated by the refusal of the already selected puppets to share their spoils with newcomers. After as bitter a squabble as Tokyo has witnessed since the Manchurian "holy crusade" of 1931, Lieut.-Gen. Doihara finally won. Genuinely alarmed by the soaring costs, in blood and gold, of the China campaign, Tokyo agreed to allow Gen. Doihara and his able assistants to try to win the war by pitting Chinese against their own brethern.

Around Dec. 24—that is, only two days

after Wang Ching-wei's sensational appeal for peace with Japan—Nipponese newsmen in Peiping cabled home gleeful reports of Marshal Wu's appointment as "Chief of Pacification in the Lunghai Railway Area," roughly in the center of a triangle formed by lines linking Shanghai, Hankow and Tsingtao.

Japan's Too Clever Plan

The area assigned to the Marshal significantly lay south of the Yellow River and in the heart of the "guerrilla empire." The outline of Gen. Doihara's plan thus began to emerge from the fog of Tokyo's phraseology. Japan was apparently preparing to withdraw the bulk of her armed forces north of the Yellow River, leaving to Marshal Wu the pleasant task of fighting the guerrillas and gaining popular support.

With Wu remaining strangely silent, the Japanese Army spokesman in Peiping announced late in December that the Chinese statesman would issue a statement attacking the National Government three days later. The appointed day came, but the Marshal, much to the spokesman's embarrassment, failed to come into the open.

Undismayed by Marshal Wu's noncommittal attitude, the Japanese press continued to splash reports of his impending declaration under such headlines as "China's Great Statesman Desires Cooperation with Japan". The extent to which the Japanese were willing to go to persuade the world and Marshal Wu himself that he was anxious to assist Dai Nippon in establishing lasting peace in East Asia was demonstrated in Shanghai, where a Japanese agent actually made a round of the news agencies and offered them $100 for publishing a report announcing the aged statesman's decision to work with the Nipponese Army. While the agencies declined the generous proffer, an English language newspaper, the *Shanghai Times*, ran the report.

Before the situation had become really ridiculous, the Marshal invited more than 104 foreign and Chinese newspaperman to his closely-guarded house in Peiping and unburdened himself of an oration, the gist of which was that wars are wasteful. While the statement did attack the Communists, it contained no references to the National Government nor to the Marshal's intention to head a new puppet regime.

Still in Seclusion

There the situation remains today. While some of Marshal Wu's former henchmen established the Pacification Commission in Kaifeng in the middle of February, the Marshal himself remains in the seclusion of his Peiping home and refuses to define his attitude towards the Government, the Japanese and the current war.

Manchukuo Gets Extension of Big German Credit

The German credit to Manchukuo, totalling Yen 63,000,000 will be extended for another year although it expired on May 31 in accordance with a trade agreement revised by the two countries last September, *Domei* reported from Hsinking last week. Sudetenland, which was annexed by Germany, will be included in the scope of the trade agreement, and it was understood that a new agreement providing for these changes would be signed May 31.

General Hata Appointed Aide-de-Camp to Hirohito

Gen. Shunroku Hata, commander-in-chief of the Japanese Expeditionary Force to Central China in 1938, on May 25 was appointed chief aide-de-camp to the Emperor, in succession to Lieut.-Gen. Okiiye Usami, who was made a Supreme Military Councillor, *Domei* reported.

Shanghai Receives More Victims of Anti-Semitism; Cuba Rejects 900

SHANGHAI'S Jewish refugee population touched the 10,500 mark last Sunday when the Lloyd Triestino liner *Conte Verde* brought an additional 465 of these unfortunates here. The new arrivals were met by representatives of the local Refugee Committee and housed in the various camps which the committee has been instrumental in establishing during the past few months. By the end of this year, according to present indications, the local Jewish refugee population will be increased to fully 20,000.

The tragic fate of the Jews, fleeing from Nazi persecution in Germany, including the territories Nazified during the past year, was poignantly emphasized last week when more than 900 of these unfortunates were denied entry to Cuba after they had apparently received visas entitling them to enter the country.

Cuba Turns Them Down

They had shipped out from Germany in the Hamburg-America liner *St. Louis* and arrived at Havana on May 31. Approximately 100 were permitted to land out of a total of nearly 1,000. The Cuban authorities declared the papers of the remainder were not in order, and the *St. Louis* was obliged to return to Germany. One of the refugees, a man, slashed his wrist and jumped overboard in an effort to end his life. The ship's officers, fearing mass suicides, placed special guards over other refugees who were in a state of hysterical breakdown when they learned they were to be returned to Germany. Cuban police launches escorted the *St. Louis* outside the harbor limits to frustrate would-be suicides.

Well-Calculated Policy

An illuminating dissertation on the Jewish refugee problem and the wave of anti-Semitism which has arisen in Europe was contributed to the Mar. 18 issue of the *Saturday Evening Post* by Demaree Bess, European correspondent of the *Christian Science Monitor*. In the view of Mr. Bess, the current persecution of the Jews on the Old Continent cannot be understood as an emotional aberration. On the contrary, he contends, it has become a cold and deliberately-calculated policy of the totalitarian states designed to serve well-understood economic and political aims.

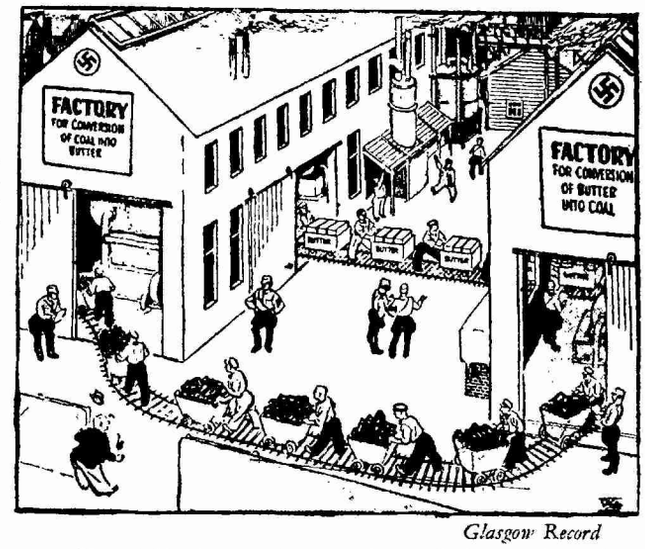
In the case of Germany, anti-Semitism has been a device for expropriating the properties of Jews and thereby easing the economic situation of the Third Reich. Fascist Italy, on the other hand, having proclaimed itself the champion of the cause of the Arabs against Britain and France, finds anti-Semitism a useful means of winning Arab sympathy, since Jews and Arabs are pitted against each other in Palestine where Britain, at least up to the recent publication of the White Paper, appeared in the role of protector of the Jews. By exploiting this Arab-Jewish antagonism, Mussolini aims to weaken both Britain and France in their Near Eastern possessions and throughout the Arab world generally.

Explaining the still cautious anti-Semitism of the Japanese Government—which appears especially incongruous in Japan, because there are practically no Jews in the country—Mr. Bess wrote:

"Thus far, the Japanese have made practical application of their new anti-Semitic code only in Eastern Europe. Being men of one-track minds, Japanese rulers are concentrating their full attention now upon strengthening their position in China. But Japanese leaders realized, sooner than some other statesmen, that the fate of Eastern Asia is closely related to events in Europe. The most formidable obstacle to Japanese control of China—aside from the Chinese themselves—is Soviet Russia. The Russians, in spite of their own internal difficulties, have managed to keep up an underground war against the Japanese forces in China, playing an active part in the Chinese guerrilla movement, which threatens even yet to wear down by slow degrees the Japanese conquerors.

"Japanese armies stand face to face with Soviet armies along the borders of Manchuria, Outer Mongolia and Korea. And Japanese agents also are active in European countries along Russia's western borders. They are doing what can be done to encourage movements designed to break up European Russia, including the movement for an independent Ukraine. And anti-Semitism is a convenient instrument for stirring up anti-Soviet feeling in most of the countries of eastern Europe . . . . I lived and worked in Russia for four years, from 1933 through 1937, and know from personal observation that Jews are not today especially prominent in the administration of that country. But the Nazis, and their friends in other countries, have successfully plastered upon the Soviet government a reputation of being Jewish. And Japanese agents, working among anti-Semitic groups in eastern Europe to assist various anti-Soviet movements, finally realized, like Mussolini, that they could make better progress if their government were definitely committed to a policy of Jew-baiting."

"Both Coal and Butter"



Glasgow Record

If totalitarian states continue their passion for commercial chemistry, the above will be the logical conclusion.

Japan Poised to Spring: Europe Key to Next Move

BY WILLIAM HENRY CHAMBERLIN

(Current History)

JAPAN—psychologically and strategically, at least—is prepared for a military effort of far greater proportions than her present war in China. An all-embracing National Mobilization Act permits the Government to take over virtually all private resources for war purposes. Labor and capital have been increasingly conscripted for the needs of a war economy. The people, who have yet to feel the stunning sting of ultra-modern warfare—the campaign in China has been a one-way war—have been carefully nursed with propaganda dramatizing Japan's "duty" in Asia.

How, then, would a European war affect Japan's campaign in China? Very likely it would encourage her to carry out her stated aim of "Asia for the Asiatics."

Wind Behind the Whistle

With more than a million armed men holding far-flung lines extending from the Amur River facing Soviet Siberia to the Hainan Island in the extreme south of China, Japan is in fact poised for a spring. With European powers engaged in war, and therefore virtually impotent as an immediate threat to further Japanese expansion, Japan may feel that the fateful hour has come.

Thus Europe may be the wind behind the whistle that will send Japan's army "over the top." Even if a European war should not follow Germany's march eastward, Japan is ready and perhaps eager to strike out against Siberia.

In the absence of a European conflagration, she would not be disposed to make an attempt on foreign concessions in China. On the other hand, if Germany and Italy should become involved with Great Britain and France over colonial and Mediterranean issues, Japan would be tempted to claim her share of the prospective spoils by grabbing as many prizes as she can, including British Hong Kong and other colonies within Japanese naval range.

Two Competing Tendencies

That Japan might not abruptly cease her campaign in China with the subjugation of the Central Chinese government should not occasion surprise. Long before the outbreak of the present war it was an open secret that there were two competing expansionist tendencies in Japan: one supported by the Army, the other by the Navy, or at least by the Navy's more adventurous representatives.

The Army has always looked northward, toward Manchukuo, North China, ultimately Siberia. The Navy has its eyes fixed on the mainland and the island regions of the South Pacific, on the Dutch East Indies, Malaya and Indo-China, with their wealth in rubber, tin, oil, iron and tropical products.

The Army got a running start for its own program when it seized Manchuria in 1931. This running start grew into a mad dash with its present war in China—for which the Army also is responsible. Its first accomplishment has been the fastening of its grip on North China, at least on its main towns and railways. Especially important, from the strategic standpoint, has been the occupation of the railway running northwest from Peiping to Paotow in Inner Mongolia. This cleared the ground for the Japanese command to concentrate troops and supplies quickly at any point menaced by a southward thrust from Outer Mongolia, dominated by the Soviet Union.

The Navy, not to be outshone, took over the spotlight when its ships put in at Shanghai and dominated the first ten days of fighting, in August, 1937. Naval airplanes, with airdromes on Formosa, carried out most of the raids on Chinese cities and railways (the Army's planes largely held in reserve for possible use against the Soviet Union). And the Navy swept Chinese shipping from the seas and played a leading part in the occupation of Canton and Hainan, of such ports as Tsingtao and Amoy, and in operations along the Yangtsze River.

Thus Japan has prepared the ground for a spring in either of two directions: toward the north, against the Soviet Union, or toward the south, regions where British and French interests predominate. Which of these lines of advance is the more probable?

Anti-Soviet feeling in Japan is almost universal. There are still relatively moderate groups, however, which believe that Japan can achieve its objectives in China without coming to an open breach with the western powers. Most Japanese troop movements recently have been northward rather than southward. Manchukuo, for example, has become a theater of preparation for war against the Soviet Union. A glance at a railway map of that country shows three lines pointing arrow-like toward the Soviet Maritime Province, whose military and naval center is at Vladivostok. Two of these lines, one north of the Chinese Eastern Railway, and a smaller one south of it, have been built since the establishment of Manchukuo in 1932. Another railway constructed since then runs up to the Soviet border at Heiho, on the Amur River. A line from Changteh to Dolonor, on the border of Inner Mongolia, is being secretly hastened to completion. This line would facilitate operations against Outer Mongolia.

The Kwantung Army, Japan's force occupying Manchukuo, has been greatly reinforced since the outbreak of the war in China, which will be two years old this July. Its present strength is probably in excess of 200,000; it could be quickly strengthened further from garrisons in North China, Korea and Japan itself.

Rehearsal for War

A small-scale war rehearsal took place last summer, when Soviet and Japanese troops fought for almost two weeks over the possession of the disputed height of Changkufeng, near the point where Japan, Siberia and Korea come together. Although the Japanese held the crest of the height until the termination of the fighting last August, they subsequently evacuated the entire region, as their position was made untenable by a flood of the Tumen River, in their rear.

Each side admitted hundreds of casualties and attributed thousands to the enemy. There were similar discrepanciss concerning the results of the conflict. A pamphlet entitled "How We Beat the Japanese Samurai" has been published in the Soviet Union. But Japanese officers with whom the writer has talked maintain that Soviet tanks showed up badly, that the marksmanship of Soviet aviators was erratic and that Red infantry displayed little fighting spirit.

Fateful Month of June

About the only fact which emerged from the little war was that neither side desired a big one. The Japanese Army exercised notable self-restraint in not taking to the air even after Soviet airplanes bombed Japanese territory in Korea. Had the Soviet Government desired to fight Japan to a finish it could have scarcely found a better opportunity, since large Japanese forces at that time were engaged far away in the interior of China. This opportunity was deliberately put aside. For the last three years June has been the month in which pitched fighting has taken place between Japanese and Soviet forces.

Should war break out between Japan and the Soviet Union, the heights around Changkufeng would witness some of the first fighting. Last summer's skirmishing disclosed to the Japanese the disconcerting fact that one of their new railway lines, from Korea to Manchukuo, is under the fire of Soviet batteries at Changkufeng. The Soviet command is equally unwilling to see Japan in possession of Changkufeng, because this height commands a view over Possiet Bay with its Soviet submarine base.

Liverpool Chinese Women in Kweilin

Picture shows a group of Chinese women and girls from Liverpool, England, presenting a banner to the wife of Gen. Pai Chung-hsi (Ma Pai-chang). The presentation ceremony took place in Kweilin, capital of Kwangsi province, quite recently. Gen. Pai's wife is seen immediately to the right of the banner.

Japan's Kwantung Army has constructed an elaborate system of defenses along the line of the Hsingan Mountains, in western Manchukuo. This may suggest an intention to remain on the defensive in this part of the front during the first phase of the war, concentrating upon a combined land, sea and air attack on Vladivostok.

But Japan has not been alone in making strenuous preparations for war. The former Soviet Far Eastern Army, split into two separate armies since the removal from command of Marshal Bluecher, is undoubtedly larger than the Kwantung Army, although some estimates of its size and equipment are exaggerated. It is largely composed of picked troops (Japan has also made a practice of sending its best troops and war material toManchukuo rather than to China) and is well supplied with tanks and planes. Steel and concrete fortifications have been erected at vulnerable points along the Siberian frontier. A flotilla of submarines has been established in Far Eastern waters. The Trans-Siberian Railway has been double-tracked and a secondary line is being built several hundred miles to the north. The development of heavy industries in Manchukuo, capable of serving war needs, is to some extent paralleled in Siberia, although the Russians are under the disadvantage of working in a country that is industrially undeveloped. Supplies must be brought over vast distances.

Both Have Avoided War

Despite these threatening preparations, punctuated by freqeunt border "incidents," the Soviet Union and Japan have steered clear of outright war. Are hostilities inevitable in the measurably near future? A badly festering sore spot (temporarily salved by the recent agreement) is the long-standing fisheries dispute between the two nations. When Japan and the Soviet Union resumed diplomatic relations at the end of 1925, it was agreed that Japan should continue to enjoy the fishing rights in Soviet Far Eastern waters which were confirmed by the Portsmouth Treaty of 1905 which ended the Russo-Japanese War. The annual conclusion of a fisheries convention to determine the conditions of exercising these rights has been accompanied by more friction and bickering as political relations between Japan and the Soviet Union have become more strained. The Soviet Government last year announced its intention to withdraw forty lots from Japanese operation "for strategic reasons" and to reintroduce a system of auction bidding for a large number of others.

The auction system has led to many difficulties in the past because there could be no genuine equality of opportunity when one of the bidders was the Soviet state, sole proprietor of the Russian fishing companies. Since 1932 the auction system has been largely replaced by a so-called "stabilized lots" arrangement, under which Japanese fishing companies were allotted a specified number of fishing grounds without bidding. The Japanese Foreign Office has asserted that 80 per cent of the Japanese fishing interests in Soviet waters would be destroyed if the Soviet proposals were carried out. There have been defiant declarations on the Japanese side that fishing would proceed as usual, and equally uncompromising warnings about the grave consequences which would follow such a course of action from Foreign Commissar Maxim Litvinov.

The Soviet Government seems to assume that Japan is much too involved in China to take any serious risks in defense of its fishing rights. While the course of Soviet policy in recent years does not indicate a disposition to attack Japan directly, there is an evident desire to terminate all Japanese enterprises which are operating in Soviet territory. This applies to the oil and coal concessions in North Sakhalin as well as to the fisheries.

Precise terms of the fisheries convention which has just been signed have been differently reported from Moscow and from Tokyo. What seems certain is that each side receded from its original extreme position. Japan agreed to relinquish some lots, although not all the forty which the Soviet Government had demanded, and consented to pay an increase of 10 per cent in royalties. It was apparently agreed that the auction system would operate in a manner not detrimental to Japanese interests.

Against Britain, France

The fisheries question would have been a pretext rather than a cause of war. It is not sufficiently important to bring on a war which one or both sides do not desire. Its settlement at the moment when western powers, rather than the Soviet Union, were taking the lead in trying to stop Hitler's drive to the East may be an indication that Japan's immediate expectations are directed against British and French possessions rather than against the Soviet Union. However, should the latter become actively involved in a European war, Japan probably would find another excuse for beginning hostilities in the Far East.

So much for Japan's advance preparations and for the general outlook in the field of expansion which has long been favored by the Japanese Army.

Meanwhile, the route to the south, the Navy's favorite, has not been neglected. It has long been axiomatic that Great Britain with its advanced outpost of empire at Hong Kong and its rich colony of Malaya, and France, with its large chunk of Indo-China, would resent Japanese intrusion into South China. Fear that this resentment if challenged might assume military form restrained Japan from launching a direct attack on Canton for more than a year after the beginning of the war with China. It was galling for the Japanese Army and Navy to see foreign ships, loaded with munitions, discharging their cargoes at Hong Kong for reshipment to Canton and the Chinese interior, yet Japanese counter-activity was restricted to air attacks on Canton and the railways which link it with Hong Kong and Hankow. These bombings killed thousands of people but they did not check the inflow of munitions. A bright spot in Chinese conduct has been the courage and speed of the railway workers in repairing damage and keeping lines open despite constant threat of new bombings.

Japan's Opportunity

But, as had happened before and may happen again, Europe's dissension was Japan's opportunity. By the early autumn of 1938 the storm signals over Europe were so ominous that Japan considered it safe to fit out an expedition against Canton. Had war broken out over Czecho-Slovakia, this force might have attempted to rush the defenses of Hong Kong.

War did not come. But the terms of the Munich settlement convinced Japan that Britain was too weak in Europe to pursue a strong policy in the Orient. When Europe slid into another crisis over Czecho-Slovakia last March, followed by frantic scrambling in the ensuing weeks on the part of Great Britain and France for an anti-Hitler bloc, Japan took advantage of the general European tension to "assume jurisdiction" over France's Spratly Islands —a small but strategically located coral group equi-distant from the Philippines, British North Borneo and French Indo-China.

The Spratly Islands are a negligible acquisition from the economic standpoint. But they give Japan potential submarine and air bases within 350 miles of the Sarawak oil fields, a new advanced point for a spring to the South.

The Canton expedition, without being extended to Hongkong, went off according to schedule. It proved successful, and its losses were small. Thus China's best means of communication with the outside world was severed. And a substantial Japanese force camped in uncomfortable proximity to British Hong Kong.

Japan's Southward Advance

Japan rushed its southward advance still farther with the seizure of Waichow Island, an excellent base for bombing Kwangsi, one of the most militant of the Chinese provinces. An airdrome, for land as well as sea planes, has been constructed on Waichow. Still more significant was the occupation of Hainan Island on February 10. With an area about 14,500 square miles, this island is almost as large as Formosa and has other points of similarity to the latter island before the Japanese took it over in 1895. There is a settled civilized fringe around the coast of Hainan. The interior is wild, mountainous, malarial, little explored and inhabited by aborigines. Japan's empire builders believe that, in time, they can turn Hainan into a flourishing Formosa.

But Hainan has strategic rather than economic importance. Possession of the island places Indo-China within an hour's range of Japanese bombing planes. And it could scarecly be better placed for the purpose of interrupting communications between Hong Kong and the major British naval base at Singapore. Hong Kong is now surrounded by a ring of actual and potential Japanese naval and air bases, located in Formosa, Canton, Waichow and Hainan.

France has always attached great importance to Hainan. In 1907 the French and Japanese concluded an agreement pledging "maintenance of order and peaceful conditions in the regions of the Chinese Empire adjoining territories where they hold rights of sovereignty." Japan's special interest was in Fukien Province, close to Formosa. France wished to maintain the status quo in Hainan, as in Chinese provinces which border on Indo-China.

Though never officially stated, it was rumored that toward the end of 1937 Japan and France concluded an agreement whereby France undertook to forbid the transportation of arms to China through Indo-China and Japan agreed to refrain from seizing Hainan. Like many other instruments which were supposed to restrain Japan in the Far East, this hypothetical argument has gone overboard.

Desire for Base

The official declaration of the Japanese when they occupied Hainan—that it has become "an important base of Chinese military operations"—cannot be taken seriously. The true motive of the occupation was the desire of the Navy to obtain a sea and air base. The Chinese neglected Hainan. Its chief port, at Hoihow, is a wretched one, ships being obliged to stand several miles from the shore. But Yulin, on the southern coast, has an excellent natural harbor which the Japanese can be trusted to develop. Of all Japan's new military acquisitions, Hainan is one of the least likely to be surrendered.

Again the influence of European events can be traced in Japan's decision to seize Hainan. This decision was taken when Franco was sweeping forward in Catalonia and a Mediterranean crisis seemed imminent. Just as at the time of the Munich settlement, Japan reckoned correctly that Great Britain and France were too preoccupied to go beyond mild protests about Hainan.

So Japan is poised to spring in two directions: toward the north or toward the south. Which direction is chosen,

(*Continued on page 51*)

89-058

Russian Yacht Adventurer Tells of Terrible Experiences in Dai Nippon

ADVENTURERS who embark on trans-oceanic trips in yachts and junks without benefit of American or British nationality—although that may not always be of much help—need to be prepared for rough and heart-breaking treatment should they be so unfortunate as to make an unforseen landing in Japanese territory. This fact is graphically underlined in a letter received in Shanghai from a member of the party of six which set out from Shanghai on Oct. 16 last year in the yacht *Visla* in an attempt to sail to New Zealand.

The author of the letter is V. K. Trifonoff, a Russian, and formerly a volunteer in the Russian Company of the local French Concession. He resigned in order to join the yacht expedition. The letter, dated May 11, was mailed in the Philippines. Extracts follow:

Storm Compels Landing

"On the fourth day out from Shanghai, during a storm, the yacht was seriously damaged. Requiring immediate repairs, we were obliged to make a landing in Ishigaka, on the small island of Aoyama, near Formosa. Much to our surprise we were instantly detained by the Japanese gendarmerie, charged with being spies for England and America. Our plea that the yacht had been towed to port by a passing steamer was ignored. Nor did clippings from the *North-China Daily News*, regarding our departure from Shanghai, help us, while the assertion that we had covered 600 miles in four days was regarded as ridiculous.

"During four months' detention we went through hell. The pen almost drops from my fingers as I attempt to describe the tortures undergone by members of the crew. Since all six of us were detained, the yacht, containing valuable equipment, was left without any watch and fell prey to hawkers. Later, we learned that the police as well helped themselves to the best. Our tinned goods vanished, also our complete set of kitchenware.

Robbery and Torture

"The gendarmerie compelled us to exchange our American money at the rate of two yen for one dollar. It was not long before we were out of funds, and the police then showed no hesitancy in disposing of our best articles. We were left with nothing. Suits, shoes, watches, clocks were acquired by the police chief, who paid us from one to three yen per article. Our raincoats, "borrowed" by the police during a rain-storm, were never seen by us again. To cap it all, the police began to pester us for "loans" from the money we received from the "auction" of our belongings. The rudest of them all was the interpreter Katzura, a vile, cunning and merciless individual.

"After two months of inquisitionary examinations, during which we were slapped and punched in the face on more than one occasion, the police decided to send us to Port Nacha, a big island near Japan, where we were placed in a cell with Japanese prisoners. Here the Japanese police showed more courtesy and appeared to be more merciful.

"It appeared that the Japanese prisoners who shared our cell were accused of Bolshevism. Day and night they were led out one by one. From afar we could hear their screams and shouts. The "examination" was in full progress! At night, when the guards were asleep, the tune of the *Internationale*, whistled by the Japanese inmates, resounded through the cells.

"Four months of detention ended and then the authorities were unwilling to feed us any longer. We had become a burden. Since all our belongings had gone, it was necessary for us to sell the yacht. Yet who would purchase it? For four months it had been bumping against the rocks, uncared-for. The screw propeller was damaged, the motor completely out of order. So a sale was impossible and we had to leave.

"A week before our departure, we were permitted to write letters. One of our crew, a Polish citizen, described our Odyssey and present plight to the Polish consul in Tokyo and asked for financial assistance. The letter was written under the supervision of the Japanese gendarmerie and closely scrutinized. The gendarmerie made it clear that our "board" and other expenses had been paid by the Japanese government and would have to be refunded in full from any money received from the Polish consul.

Fined 300 Yen

"Soon a reply came from the consul, informing our Polish companion that the required sum was to be sent immediately. Learning of this, the Japanese fined us 300 yen for having entered a forbidden zone. At the same time, learning that three of us were acrobats by profession, the gendarmerie put us to work entertaining crowds at a local circus. We earned 200 yen, which was 15 per cent of the gross receipts, but on pay-day we discovered that we were still in debt to the extent of 29 yen. It was clear that the more we worked the more our debt increased. A sum of two yen was provided each day for our food and with this we could purchase some sweet potatoes, flour and a little fat. We were irritated by absence of tobacco.

"Our circus life came to an end with the disappearance of what remained of our suits and other clothing. The Polish Ambassador, learning of our plight, made representations to the Japanese Foreign Minister, who assured him that all our missing things would be found and returned. When we arrived back at our yacht we discovered that of the five barrels of water formerly on board only two remained. Everything else—plates, dishes, kettles, a set of kitchenware, photo albums—had vanished.

Goodbye to 'Paradise'

"The yacht presented a miserable spectacle—full of holes, the motor and propeller damaged. Seventy yen were needed for overhaul—not a thorough one, but sufficient to enable us to sail the yacht away from the Japanese 'paradise.'

"Now we are in the Philippines, bound for Australia. After our stay in Japan, we are strongly impressed with the politeness and friendly attitude of the Filipinos. Our experiences with the Japanese will always remain in our memories as a terrible nightmare."

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Anderson Expedition Back to Port Again

Misfortune continued this week to dog the San Francisco-bound Shanghai junk *American Legion*, which was obliged to put into Kobe on June 5 to land a member of the crew, S. Jensen, a Norwegian, for hospitalization after he had contracted acute pneumonia.

Commanded by Captain John Anderson, who is accompanied by his Russian wife, the 29-ton craft left Kochi, in Shikoku, on June 2, after her storm-battered hull had been reconditioned, but Jensen's unexpected illness obliged the skipper to run for Kobe. This was the fourth forced stop made by the junk. She left Shanghai, bound for the Golden Gate Exposition in San Francisco, on Apr. 22 after an unsuccessful start from The Bund on Apr. 8. Eight days later, on Apr. 30, she put into Katura, in western Kagoshima prefecture, on the island of Kyushu, for repairs to her auxiliary engine.

Setting out again on May 10, the junk ran into a violent storm on the following day. After being tossed about by a high wind and heavy seas for two days and nights, she was sighted off Kochi prefecture on May 14. Taken in tow, she was brought to Kochi where repairs were effected. On June 2, she started out on her next ill-fated attempt to cross the Pacific, to be forced back to port by Jensen's illness. Captain Anderson, who is an American, stated that the *American Legion* would leave Kobe "soon," without Jensen.

Japan Poised to Spring

(*Continued from page 50*)

if either, depends mainly upon Europe. Toward the end of 1938 Germany apparently sounded out Japan on the question of transforming the Anti-Comintern Pact (first concluded between Japan and Germany in 1936 and later extended to Manchukuo and Hungary) into an offensive and defensive alliance, aimed against both the Soviet Union and the British and French empires.

This proposal aroused wide differences of opinion in Japan. The more adventurous groups in the Army and Navy were favorably disposed; but a strong body of opinion is opposed to pledging Japan to participation in a European war unless that war is against the Soviet Union. In Tokyo it is taken for granted that a German-Soviet war would be the signal for a Japanese onslaught on the Soviet Far East. Hence, opponents of the German proposal pointed to the danger of breaking all economic ties with the democratic states, and to the possibility that America might enter a general war as an enemy of Japan.

Europe Holds the Key

Foreign Minister Hachiro Arita recently assured me that there was no intention to transform the Anti-Comintern Pact into an anti-British and anti-French alliance, though he admitted that means of "strengthening" the Pact were being studied. Arita's statement reflected his personal viewpoint. But it is doubtful whether the struggle between various groups in Japan over the proposed alliance has been finally settled.

Europe apparently holds the key to the development of events in the Orient.

Should the Continent keep the peace, it is unlikely that Japan, with hundreds of thousands of troops already tied up in what promises to be a long and harassing process of occupation and pacification in China, would launch a major war in the Far East.

But a new world war would find Japan a far more active participant than she was in the last one.

Chinese Athlete Dies in Kwangsi Air Fight

Paul Fu, well-known Manchurian pole vaulter, who represented China at the Olympic Games in Berlin in 1936, was killed in an aerial battle over Kweilin, capital of Kwangsi province according to a *Transocean* report from Chungking. The Manchurian athlete joined the Chinese Air Force as a pilot shortly after the outbreak of the Sino-Japanese hostilities in 1937.

Briton Bayonetted by Japanese in Pooting; Dies on Operating Table

A serious incident involving British civilians and Japanese marines, in which R. M. Tinkler, 45, an employee of a British cotton mill and former inspector of the Shanghai Municipal Police, lost his life, took place in Pootung on Tuesday of this week. The incident occurred at the premises of the Lung Chong Mill, property of the China Printing & Finishing Company, at Pootung Point, across the river from the Shanghai International Settlement.

At about 7.40 a.m. on Tuesday, according to the Japanese version, some 40 mill-hands landed on the mill pontoon with the intention of replacing men who have been on strike for more than two weeks. Thirty of the strikers were waiting in a sampan nearby and proceeded to attack the strike-breakers with sticks. Four Japanese marines, guarding the property by agreement with the British authorities, intervened and herded strikers and strike-breakers together with the intention of escorting them to Landing Party headquarters

Shot Said Fired

While passing through the mill compound, the Japanese version continued, 10 Britons appeared from the mill offices, three of them armed with pistols, and attempted to take charge of the prisoners. Tinkler, it is alleged, wrestled with the Japanese marines and attempted to take away their rifles. He was also said to have fired a shot. Thereafter he approached the officer in charge, seized his left hand, and pressed his gun into the officer's ribs, telling him to "get out of the plant."

Then a Japanese battalion commander, having been informed of the trouble, arrived on the scene. Tinkler allegedly pointed his gun at him and used insulting language, also threatening to kill him. A Japanese marine then seized the Briton and disarmed him, while another marine hit Tinkler over the head with the butt of his rifle.

The Japanese naval spokesman concluded his account by saying that Tinkler was taken to Japanese headquarters where his injury was treated, adding that he was not seriously hurt since he had been able to walk to headquarters from the scene of the fracas. But "he is not permitted to see any foreign visotrs," the spokesman said.

Late in the afternoon, as a result of intervention by the British Consulate-General, Tinkler was brought across the river and taken to the General Hospital. Upon examination he was found to be suffering from three bad bayonet wounds which had been hastily stitched up, apparently by a Japanese naval doctor. He had already lost considerable blood and succumbed during the performance of an emergency operation.

Tell-Tale Bayonet Wounds

If the Japanese statement that Tinkler was not seriously wounded was correct, then the bayonet wounds were inflicted while he was held in Japanese custody at Landing Party headquarters, where he was apparently allowed to lie for many hours practically unattended, which neglect finally caused his death. It is understood that the British authorities are to hold an inquest.

Anglo-Japanese relations in Tientsin were subjected to new strain this week in consequence of the refusal of the British Concession authorities to hand over to the Japanese two Chinese arrested on suspicion that they were connected with the assassination of the late Cheng Hsi-hou, Japanese-appointed manager of the Tientsin branch of the Federal Reserve Bank.

The refusal was conveyed to the Japanese by Mr. E. G. Jameison, British Consul-General, who said there was not sufficient evidence to connect the two suspects with the slaying of Cheng Hsi-hou, who was killed in a movie house in the British Concession on Apr. 9. It followed a virtual Japanese ultimatum in which custody of the two prisoners was demanded by not later than June 7, and in which the threat was made that the Japanese would otherwise resort to action they "deemed fit."

On the basis of an incorrect report that the British had agreed to hand over the prisoners, Quo Tai-chi, Chinese ambassador in London lodged a strong protest with the British Foreign Office, pointing out that compliance with the Japanese demand would be tantamount to recognition of the puppet "Provisional Government" in Peiping.

Mission Property Damaged in Raids

The American Consulate-General in Hankow on June 1 lodged a protest with the Japanese Consulate-General in that city over the bombing by Japanese planes of the Southern Baptist Mission property at Chengchow, Honan, on May 26. It was pointed out in the protest, *United Press* reported, that this was the fifth bombing to which the property in question had been subjected by Japanese air raiders.

The mission compound suffered in the raid, one wall being destroyed, but none of the missionaires was injured. Although it could not be ascertained whether American flags were flown from the property during the raid, the property was reportedly clearly marked on maps given to the Japanese authorities following their request that they be informed as to the exact location of third-power property.

A squadron of 17 Japanese bombers raided Shiuchow, provisional seat of the Kwangtung Provincial Government, on May 29. Some 80 bombs were dropped on the business and residential districts, killing and wounding more than 40 civilians, *Kuo Min* reported. More than 100 houses, including an Italian Catholic Church, were damaged or destroyed. The church was hit by five bombs, the agency said.

On May 30 the Air Attache of the French Embassy arrived in Ichang, Yangtsze River port, to inspect the damage done to a French Catholic church in a recent Japanese air raid.

Kian, provisional seat of the Kiangsi Provincial Government, was raided twice by Japanese bombers on June 5. In the first raid, bombs were dropped on the outskirts of the town and little damage done, *Kuo Min* reported. But in the second raid six machines dropped 30 bombs on the business section, killing a number of civilians and destroying a number of buildings.

Shaoshing, southeast of Hangchow in Chekiang province, was bombed the same day by five Japanese machines. Fourteen bombs were dropped on the business section, destroying more than 30 buildings. The number of casualties has not been reported.

Two British Officers Detained in Kalgan

Two British army officers—Lieut.-Col. C. R. Spear, M.V.O., M.C., Military Attache to the British Embassy in China, and a Lieut. Cooper, language officer attached to the Embassay—were being detained this week in Kalgan by the Japanese military as "spy suspects."

Both were taken into custody by Japanese military police at Shuangshu, a village along the Peiping-Paotow Railway, on May 15, according to the Domei agency, which put out a lengthy report on the subject on June 6.

Lieut.-Col. Spear, the agency's report (from Kalgan) stated, was understood to have left Shanghai in February of this year, proceeding to Hanoi by way of Hongkong and thence by air to Chungking. Later he travelled in Szechwan, Shensi, Shansi and Hopei, observing the activities of the Chinese Communist forces, with extended visits in Sian, Yenan and Kiahsien, the agency said. Thereafter he was understood to have gone to Chilan, Wutai and Yangchiaping in Shansi before reaching Shuangshu, where he was arrested.

It is alleged against Lieut.-Col. Spear, the report went on to say, that he utilized the wireless communication facilities of the Chinese Communists to maintain contact with Shanghai and Peking, reporting developments within the zone of Japanese operations. Fearing that he would be found by the Japanese military, he sent a Chinese messenger from Yangchiaping to Peiping to communicate with Lieut. Cooper. The latter, it is further alleged, failed to receive full permission of the Japanese military authorities to proceed inland, but nevertheless left Peiping to meet his superior officer.

Bedraggled When Arrested

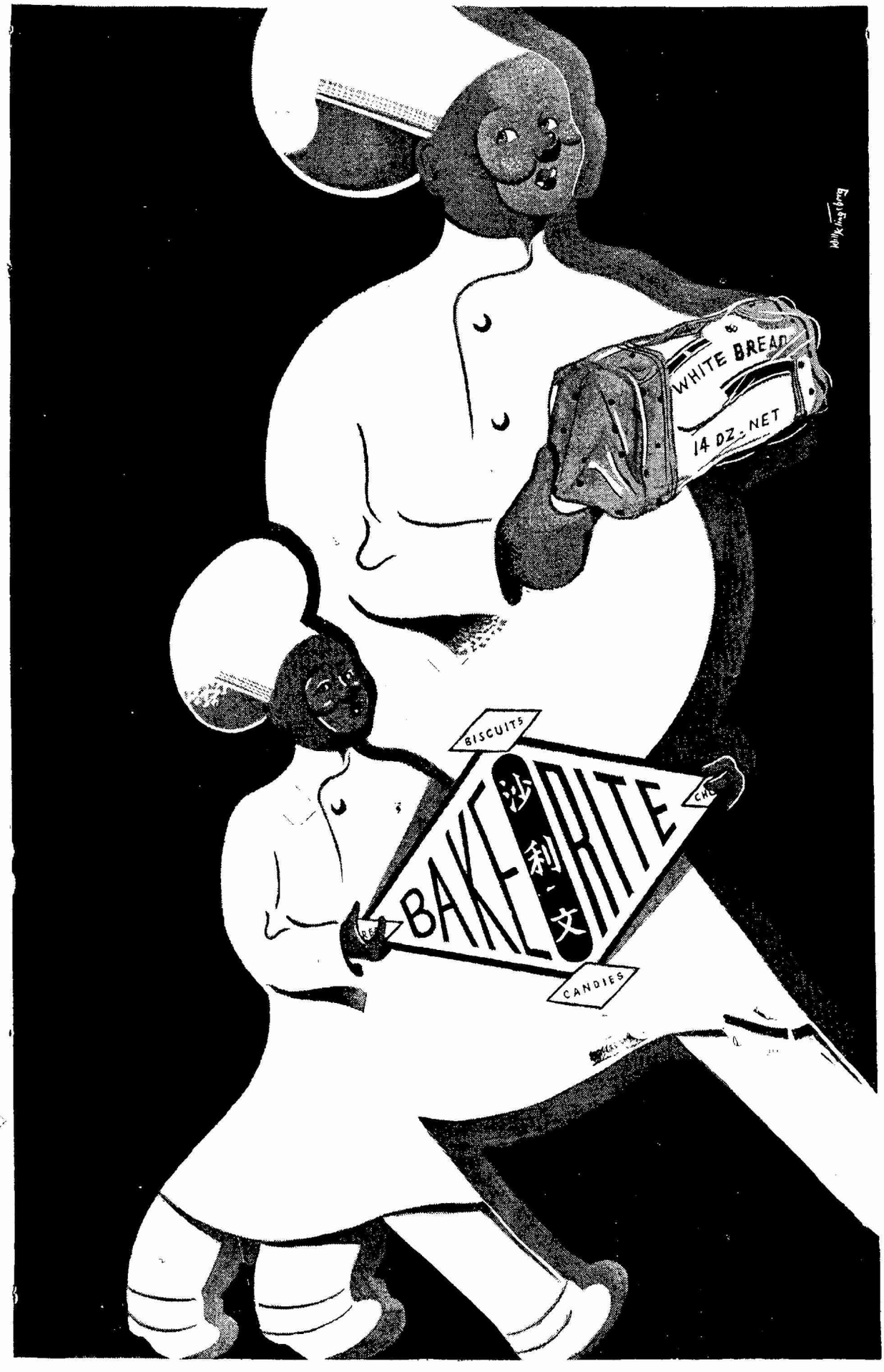
When the two officers were arrested after they met at Shuangshu, the report continues, they were wearing mud-caked civilian clothes and presented a bedraggled appearance, "which Japanese authorities attribute to their attempts to evade detection by Japanese outposts." The pair had allegedly been hiding for three days in the Shuangshu church, where they were discovered.

The *Domei* agency declared that the Japanese military authorities were taking a serious view of the case in view of the fact that neither officer was authorized to travel in Japanese-occupied territory. "Moreover, it was pointed out, there was ample ground to suspect that Lieut.-Col. Spear, by crossing back and forth from Japanese-occupied territory to the Chinese lines, had supplied the Nationalists or Communists with valuable information regarding the Japanese forces. This would have to be thoroughly investigated before the two officers could be released, it was stated."

Reports from London said that the British Government was preparing a protest to Japan against the arrest of the two officers, both of whom were understood to be in possession of diplomatic passports.

Lieut.-Col. Spear has been in China about 20 years and knows China and the Chinese language well. In 1927, as a captain, he was attached to the Shanghai Defense Force as an Intelligence Officer. When the Nationalist Army occupied Nanking he was in that city and sustained a wound in the attendant "incident" in which several officers lost their lives.

89-060



89-061

Myths and Contradictions

(*Continued from page 46*)

and further clear that if the militarists are triumphant in the conquest of China it will bring the Japanese masses into direct competition with the Chinese in the labor market, and force their already miserable standard down to that of the Chinese.

The argument of Japan's serious over-population and widespread misery is used as militarist propaganda both in Japan and abroad. It is, however, contradicted by propaganda which aims to show that the Japanese can still bear far greater military burdens than they have been doing so far. This line of propaganda is more particularly intended for foreign consumption, as it is not especially attractive in Japan itself. It aims to show that Japan is able indefinitely to endure the terrible stress of a long and costly campaign, and will not break down under the strain. For this purpose it is made to appear that Japan is economically strong and prosperous, virtually self-sufficient, and its population

China Today

wholly contented even with the conditions imposed by its military masters under war conditions.

Mr. Matsuoka's propaganda blast, already referred to, is an excellent example of this line of "argument," issued to the American public through the Associated Press some time ago and repeatedly followed up by other militarist propagandists. Matsuoka declared, quite truthfully, that Nippon had "already spent billions of yen in the present crisis." He added that "the final total may reach fifty billions or more; who knows? Can a financial optimist anywhere conceive of Nippon getting back even two, three billion yen a year from China? And that amount would be a meager annual interest charge on the Nippon outlay for this present crisis . . . Billions of yen, thousands of her young men's lives—all are offerings on the altar of her own conviction and aspirations" —i.e., on the altar of the War God Hachiman, patron deity of the Japanese militarists, whose aim is not economic gain but unlimited power. The poverty-stricken Japanese people, a "have-not" nation on a little archipelago of limited resources, are presumably able to pay out fifty billions or more without any possibility whatsoever of economic return.

Mr. Matsuoka, of course, was vehemently "replied to" by many pro-Chinese opponents, particularly by those who are deluded by the long-exploded conception of "economic gain" through war upon a neighbor. In fact, however, his argument—allowing for his high-flown phrases, in which bloody and costly conquest is referred to as Japan's "mission in Asia"—was essentially sound. The Japanese people can *never* get back what the present conflict has cost them. Mr. Matsuoka says truly that "only sacrifices upon sacrifices" are in store for Japan. But this incautious and emphatic bit of truth has completely and utterly contradicted the military propaganda of a decade—to the effect that the Japanese can solve their economic problems, and rise to a higher economic level, by forcibly securing control of China's resources. These resources are not fruit, to be plucked off trees, any more than were the "inexhaustible German resources" upon which the victors at Versailles predicated their impossible indemnities twenty years ago. Economic development needs capital, and Japan has no capital; every month Japan draws nearer to complete exhaustion; every month the Japanese people draw nearer to utter famine. "Sacrifices upon sacrifices!"

Tale for Feeble-Minded

Taking the military propaganda at its face value, we may note that Japan is a poor and over-crowded country, whose people are increasingly unable to make a living in their little archipelago and are under absolute economic compulsion to expand. On the other hand, they are able to expend fifty billion yen or more on the militarists' conception of their "mission in Asia," with no nope whatsoever of an economic return. It is a remarkable picture, but one which can convince only those already convinced or completely feeble-minded. There is, however, truth in both attitudes, as propaganda is based not merely upon outright falsehoods but upon half-truths. It is true that Japan is a country of limited resources, growing over-population, and increasing distress. It is also true, on the other hand, that the rulers of Japan are prepared to spend unlimited sums on the realization of their military ambitions abroad, with no hope whatsoever of an economic return and utterly indifferent to the sufferings of their subjects. To the militarists, the "all-absorbing question" is that posed by Mr. Matsuoka: Can the Japanese people "bear the cross?" Will not some friend of the Japanese militarists give some temporary assistance—as some have done in years gone by—in the bearing of the cross? Suppose the Japanese people, hungry, worn and exhausted, should faint, stumble and fall under the heavy cross—upon which they are finally to be crucified?

Shanghai, May, 1939

Stalin Purges More Red Army Officers

Persistent rumors of the arrest in Moscow of several prominent members of the Red Army General Staff received apparent confirmation May 31 in a report that the rooms of General Shaposhnikoff, Chief-of-Staff, had been searched by Lavrenti Beria, head of the Ogpu, the German *Transocean* agency reported from the Soviet capital. It was stated by the same source that M. Frinovsky, former Navy Commissar, and M. Smirnoff, former chief political commissar of the Soviet Navy, were executed Apr. 25. Frinovsky, it was stated, received his appointment on the recommendation of M. Mekhlis, supreme political commissar of the Soviet armed forces. Mekhlis himself was therefore considered doomed. Shaposhnikoff's fate was unknown.

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Wang Ching-wei's Moves

(*Continued from page 44*)

Soviet Union would increase her aid to China. Assured by the belief that she is reasonably secure in the West and that Japan has her hands full with the Chinese campaign, Russia apparently feels that she is now able to give more attention to the Far East. However, according to Washington observers, the Soviet Union will confine herself to giving more substantial aid to China rather than to seeking open hostilities with Japan.

Chiang's New Title

In order to make uniform public references to Gen. Chiang Kai-shek, the generalissimo will henceforth be addressed by his official title of Chief Executive (*Tsung Tsai*) of the Kuomintang. A circular telegram to this effect has been issued by the Central government throughout the country. Gen. Chiang has generally been referred to as Wei-Yuan-Chang or chairman of the Military Affairs Commission.

Gen. Ho Chien, until recently minister of interior, has been appointed commander-in-chief of the government forces in Hunan and Hupeh, and is leaving shortly for Changsha to direct operations in the those two provinces. Gen. Ho's new appointment is made in recognition of his familiarity with the topography of Hunan, since he was previously chairman of the province for seven years.

Gen. Huang Shao-hsiung, chairman of Chekiang, was highly commended by Gen. Chiang Kai-shek for the efficiency of the civil administration in the province. Gen. Chiang expressed particular satisfaction at the results of the enforcement of military conscription and the consolidation of the defenses in the province, where educated youths have been organized into militia forces. Praise was also given for improvements effected in the financial administration.

Kuomintang Leader Dies

Hsiao Fu-cheng, veteran Kuomintang leader and an early associate of Dr. Sun Yat-sen, died in Siam on June 1, at the age of 76. Messages of condolence were cabled the Hsiao family by Chairman Lin Sen of the National Government, Gen. Chiang Kai-shek, Dr. H. H. Kung and other government leaders.

The Chinese communities in the Philippines have made a further donation of $31,400 to the Government for strengthening the Chinese Air Force. Meanwhile, a group of overseas Chinese aviators from Singapore recently arrived at Kunming to volunteer their services. They were given a rousing welcome by Yunann government officials and will shortly proceed to Chungking for enlistment. Arriving at the same time at the Yunnan capital was another batch of 526 overseas Chinese mechanics from Singapore and Malaya, who will join the Chinese mechanized units. This brings the total number of overseas Chinese mechanics who have returned for military service to 2,026.

June 3 was observed as the National Opium Suppression Day, marking the 100th anniversary of the confiscation and destruction of the historic cargo of opium imported into China in 1836 by British traders in Canton, which inaugurated the anti-opium campaign under the late Viceroy Lin Tse-hsu. A mass meeting was held at Chungking under the joint auspices of the National Opium Suppression Committee, the Ministry of Interior and the Chungking Municipal Government.

In a message addressed to the meeting, Gen. Chiang Kai-shek recalled the warning made by Viceory Lin that, "if the opium evil is not suppressed, in ten years there will be no able-bodied soldiers nor collectable revenues in this country." The Generalissimo pointed out that the aim of Japan's continental policy is not only to invade China but also to secure the hegemony of East Asia. One of the means employed by the Japanese to enforce this policy, Gen. Chiang said, is by introducing and encouraging the opium traffic in China. Consequently, wherever the Japanese go in this country, opium follows. By this means, they hope to bring about the extinction of the Chinese nation. Since China is now determined to resist the Japanese invassion to the utmost, the people should realize that able-bodied troops are indispensable for the prosecution of the campaign of resistance. The country, therefore, should remember the warning uttered by Viceory Lin a century ago, Gen. Chiang urged. He revealed that he had sent a circular order to the various provincial governments, instructing them to eradicate the opium evil in their respective provinces immediately so as to facilitate the work of national reconstruction.

Opium Suppression Work

In a statement on the results of opium suppression in the past year, the Ministry of Interior declared that with the exception of Yunnan, the cultivation of the poppy was completely suppressed throughout the country by the end of 1938. In Yunnan, the poppy is still cultivated in only 14 districts, near the Annam and Burma borders, regions chiefly inhabited by aboriginal tribes. It is planned that cultivation of the poppy in these districts will be completely suppressed by the end of 1939.

To relieve the burder of the farmers during the period of national emergency, the farm tax for 1938 in 14 war-affected provinces has been suspended by order of the National Government.

Chungking will be divided into a number of small municipalities, each specializing in the development of industry, commerce and education, according to plans evolved by Mayor Ho Kuo-kuang. He said: "This is the best way to reduce the risk of wholesale destruction of lives and property and at the same time to maintain the importance of the city as the wartime capital of China."

New 'Axis' Magazine Arrives in Tokyo

Copies of the first number of the magazine *Berlin-Rome-Tokyo*, published in Berlin on May 17, were received in Tokyo this week. Reich Foreign Minister Joachim von Ribbentrop is the honorary publisher of the new organ dedicated to "the betterment of the cultural relations between Germany, Italy, and Japan." An address by Chancellor Adolf Hitler, in German, Italian, and Japanese, occupies a prominent position in the first issue. The second number will be dedicated to Italy, the third to Japan, *Domei* reported.

Hall & Holtz Announce A Profit of $60,000

Hall & Holtz, Ltd., British department store proprietors, whose Shanghai establishment is on Bubbling Well Road, reported a profit for 1938 of $59,134.53 at the annual meeting of shareholders held here on May 31. This figure was arrived at after providing for depreciation of plant, amortization of buildings at Shanghai and Tientsin, bad and doubtful debts. Added to the $19,377.04 carried forward from 1937, the total sum carried forward to 1939 was $78,511.57. Declaration of a dividend was not recommended as this would have increased the company's overdraft.

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89-064

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

May 21

Following a vigorous counter-offensive, Chinese forces in Northern Hupeh recaptured Tsaoyang, strategic City between Fancheng and Suihsien, and were now converging on the latter city. The Japanese drive towards the Hupeh-Shensi border said to have been checked.

On Nanchang front, Chinese reports claimed that the Japanese had suffered some 10,000 casualties during the past 20 days, including three high officers.

Chinese plain-clothesmen entered Tsinan, capital of Shantung, early this month, attacking the Japanese garrison and killing scores of Japanese soldiers, according to field dispatch received at Chungking.

In a statement addressed to the second annual meeting of the China Branch of the International Peace Campaign, Gen. Chiang Kai-shek urged a firm stand for world peace and expressed the hope that China's resistance against Japanese aggression would avert another world catastrophe.

Foreign Minister Wang Chung-hui appealed to the League of Nations on the eve of tomorrow's Council meeting, urging the League Powers to:

1. Take collective action to check the Japanese in China,
2. Cease supplying war materials to Japan,
3. Suspend financial and trade relations with Japan,
4. Enforce resolutions adopted at previous League meetings .

Nelson T. Johnson, American Ambassador to China, passed through Japan en route to China to resume his post. Mr. Johnson conferred with officials of the American Embassy at Tokyo during his stop-over in Japan.

Chinese living in the Nethelrands East Indies have contributed $10,000,000 to China's war chest since the outbreak of the hostilities; the contribution from Batavia alone totals $4,500,000, according to **Reuter** report from Batavia.

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May 22

About 200 Chinese in Kulangsu, International Settlement at Amoy, reported arrested by Japanese bluejackets since their landing two weeks ago. The arrested men said severely manhandled and all taken to Amoy. Situation in Kulangsu eased following the landing of American, British and French bluejackets; negotiations for a joint withdrawal of the landing parties deadlocked because of the refusal of the Japanese to agree.

Chinese guerillas operating in Shanghai's immediate environs number about 24,000, despite recent Japanese operations against them, according to Japanese spokesman at the press conference.

Returning to Chungking after an extensive tour of the war fronts, Gen. Chen Cheng, director of the Political Affairs Department of the Generalissimo's Headquarters, declared that the Japanese are facing four major problems in their occupied areas, namely, lack of time, labor, capital and stability. China's winning of the war only a matter of time, the general asserted.

Protesting against the action of the Shanghai Municipal Council in suspending the **Ta Mei Pao**, Chinese edition of the **Shanghai Evening Post & Mercury**, Randall Gould, editor of the journal, cabled Secretary of State Cordell Hull, declaring the Council's action illegal and demanding American consular authorities in Shanghai to take action to protect American rights.

Dr. Wellington Koo, Chinese delegate to the League of Nations' Council meeting, appealed for further financial and material aid to China and for an embargo on shipment of war materials to Japan by member-states. Lord Halifax, British delegate, declared that the British Government would be unable to support China's demands.

The war in China is a war between Japan and Britain as well as between Japan and China, declared (yesterday) Kingoro Hashimoto, commander of the Japanese artillery batteries which shelled the British gunboat **Ladybird** on the Yangtsze river in Dec. 1937. Col. Hashimoto recently returned to Japan from the China front. Britain he described as Japan's foe.

Chinese residents in London cabled donation of $10,000 for the relief of refugees of recent Japanese bombings in Chungking.

The China Branch of the International Peace Campaign last night cabled the League of Nations, requesting the imposition of an embargo against Japan.

Sir Archibald Clark Kerr, British Ambassador to China, arrived at Hongkong from Chungking.

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May 23

Goro Uchida, Japanese Consul-General at Amoy, demanded the Kulangsu Municipal Council to reconsider its rejection of the five Japanese demands presented on May 13. The Japanese official renewed his demands for increase in the Japanese personnel of the Council, the suppression of anti-Japanese activities, and the granting of a voting franchise to Japanese subjects of Formosan extraction.

British, American and French naval commanders in Amoy conferred with Admiral Hondo and other Japanese naval officers, but no agreement for a complete withdrawal of foreign naval forces as well as the Japanese was reached.

"The landing of American, British and French forces in Kulangsu was made in order to re-establish the authority of the Kulangsu Municipal Council," declared R. A. Butler, British Under-Secretary of State for Foreign Affairs in the House of Commons last night.

Japanese Yen dropped to 88 cents in relation to the Chinese national dollar —unprecedented low quotation in Shanghai's exchange market.

For the 30th time since the outbreak of the Japanese hostitilies in Central China, urns containing the ashes of the Japanese war dead left Shanghai for Japan.

Japanese authorities in Tientsin presented following demands to the Municipal Council of the Tientsin British Concession :

1. Engagement of Japanese advisers by the Council.
2. Joint search by British police and Japanese gendarmes for terrorists.
3. Extradition of any arrested terrorists to the Japanese.

Fighting breaks out again on the shores of the Tungting Lake, where Japanese forces to the southeast of Yochow on May 21 attacked Chinese positions on the north bank of Sintsiang river, along a 30-mile front.

89-065

Henri Cosme, French Ambassador, denied the Japanese report that the French Government had sent a military mission to China. Only a few retired French officers had been engaged individually by the Chinese government as experts, he said.

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May 24

Japan is entitled to suppress anti-Japanism within all International Settlements in Japanese occupied areas in China even though it may be necessary to utilize force to achieve this end, declared Japanese Foreign Office spokesman.

The British liner **Ranpura** and the French vessel **Aramis** halted and boarded by Japanese naval parties off Hongkong territorial waters. Papers of the two vessels examined, but no other action taken. British and French naval authorities took serious view of the incident.

Nelson T. Johnson, American Ambassador, arrived at Shanghai, accompanied by him family. Mr. Johnson soon to proceed to Chungking to resume his post.

The Japanese offensive into Northern Hupeh turned into a "complete rout," according to Chinese field dispatches reaching Chungking. After recapturing Tangho, Tungpeh and Tsaoyang, Chinese forces yesterday recovered the strategic city of Suihsien.

Swatow bombed by Japanese planes; several fires started; number of casualties unknown.

Gen. Chou En-lai, communist leader, who just returned to Chungking from an extensive tour of guerilla areas in Kiangsu, Chekiang and Anhwei provinces, praised the guerilla tactics of "making the Japanese rear the Chinese front." Despite the Japanese mopping-up operations, he said, the number of guerillas is becoming larger and their position stronger.

Chungking report stated that Wang Ching-wei, who passed through Hongkong on May 5 aboard the Italian liner **Conte Rosso**, recently visited Japan, interviewed the Japanese premier, Baron Hiranuma, and was also received by the emperor. Wang said conspiring with the Japanese for the establishment of a new puppet government in China in opposition to Chungking.

Fresh Japanese reinforcements totalling about 20,000 men recently landed in Tientsin and Tsingtao, according to **Reuter** report.

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May 25

Chungking bombed by twenty-six Japanese planes, which dropped over 100 demolition bombs, causing at least some 1,000 casualties. Chinese planes waged furious battle with the raiders, although outnumbered. Two Japanese planes said shot down.

League Council rejected China's demand for sanctions against Japan; resolution urging League members to aid China individually drafted.

Tokyo naval spokesman alleged situation in Kulangsu "aggravated" following landing of British, American and French forces; announced additional Japanese bluejackets may be put ashore. Admiral Sir Percy Noble, Commander of the British China Fleet, vigorously protested to Japanese authorities in Amoy for transmission to Tokyo against the "Ranpura" incident.

Maj.-Gen. F. K. Simmons, new Commander of the British Forces in China, arrived at Shanghai, succeeding Maj.-Gen. A.P.D. Telfer-Smollett.

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May 26

Sir Archibald Clark Kerr, British Ambassador, arrived at Amoy from Hongkong; confered with Admiral Sir Percy Noble on the Kulangsu situation.

Dr. C. T. Wang, former Chinese Ambassador at Washington, left Hongkong for Bangkok en route to England on an unrevealed mission.

The total figure for national expenditures of all budgets for the 1939-40 fiscal year is Y.12,728,621,000, including Y.4,605,000,000 for the special military budget, Japanese Finance Ministry announced. This is an increase of Y.1,786,145,000.

Claimed in Chungking that seven Japanese bombers were shot down in aerial battle by Chinese pursuit craft during the Japanese air raid on Chungking yesterday. Wreckage of four of the raiders said to have been located.

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May 27

The League Council adopted two resolutions on the Far East, the first urging member—states to continue to aid China individually and the second asking that the League be kept informed of Japanese airbombings of civilian populations in China. Dr. Wellington Koo's request for an embargo on planes and oil to Japan by member-states rejected.

Admiral Jean Decoux, Commander of the French China fleet, ordered by Paris to protest to the Japanese naval authorities in Shanghai against the boarding of the French liner **Aramis** by Japanese naval landing party off Hongkong on May 24.

Chow Chung-yao, aged Yunnan statesman and member of the Yunnan Provincial Government, appointed Minister of the Interior, succeeding Gen. Ho Chien.

Chungking authorities officially denied the Japanese report alleging that Sir Archiblad Clark Kerr, British Ambassador, during his recent visit in Chungking, presented a memorandum to Gen. Chiang Kai-shek, of foreign the Powers' mediation in the Sino-Japanese conflict. Report described as pure "fabrication" designed to confuse public opinion on the Far East.

Fumitaka Konoye, Son of Ex-Premier, Returns to Tokyo

Fumitaka Konoye, son of Prince Ayamaro Konoye, former Premier of Japan, who has been Dean of Tung Wen College, Shanghai, has returned to Tokyo to take his military conscription examination, according to *Domei* report on May 28. Young Konoye was a student at Princeton University prior to coming to Shanghai. According to the Japanese paper, *Sin Shun Pao*, the students of Tung Wen College will spend the coming summer in making investigations of economic, political and social conditions in China. The graduates will be formed into 28 groups of 23 persons each and will make tours of Hopei, Shantung, Charhar, Suiyuan, Shansi, Mongolia, Kiangsu, Anhwei, Kiangsi, Hupeh, Fukien, Kwangtung, Hainan Island, Hongkong, India, Siam, Annam, Burma and the Philippine Islands.

Tung Wen College, long designated by the Chinese as the Japanese "spy" college, is now occupying the premises of the Chinese Chiaotung University on Avenue Haig, which were seized by the Japanese Army during the hostilities here in 1937. The students in Tung Wen are recruited from the various prefectures in Japan and are brought to Shanghai where they are drilled in the Chinese language, history, geography and economics. An extensive tour of China is provided, following graduation, after which the graduates are given positions in Japanese Consulates, with Japanese firms and in the various branches of the Japanese espionage services in China.

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Who's Who in China

Gen. Hsiao Chia-chu, army officer; native of Shantung; born at Peiping, 1898; studied at Hopei Provincial Normal School at Tungchow; graduate of Paoting Military College, specializing in infantry; instructor in the Training Corps of the

蕭家駒字燕生
Gen. Hsiao Chia-chu

Northeastern Army; battalion commander in the 27th Division of the National Army; chief of staff of the 30th Army of the Nationalist Revolutionary Army; organised with Gen. Ma Chan-shan the East Hopei Self-Defence Corps after Yin Ju-keng had joined the Japanese and formed the puppet East Hopei Administration at Tungchow; because of the treachery of Chen Chung-fu (former chairman of the Foreign Affairs Committee of the Hopei-Chahar Political Council and a pro-Japanese politician), many members of the Corps were arrested by the Japanese and executed, but he barely succeeded in escaping; fled to Shanghai and was assigned to work in the Shanghai Office of the 1st Army; participated in the war against the Japanese in Shanghai in 1937 as chief of staff of the 55th Division, responsible for the garrison of Pootung; after the withdrawal of the Chinese forces form Shanghai, he was made field commander of the 5th Guerilla Corps in the 5th War Zone; following the battle of Hsuchow, he joined the New Fourth Army as a senior staff officer; author of numerous articles on China's war of resistance; address: Headquarters of the New Fourth Army, Anhwei.

Yarnells Receive Tray As Community Presentation

Admiral Harry E. Yarnell, Commander-in-Chief of the United States Asiatic Fleet, who is retiring from service some time this year, was the guest of honor, together with Mrs. Yarnell, at an "at home" given by the American Association of Shanghai at the Columbia Country Club last Saturday, June 3. His successor, Rear-Admiral Thomas Charles Hart, is expected to take over the command in Shanghai around the end of the present month, according to reports from Washington. Admiral Yarnell and his wife expect to return to the United States in August.

At the "at home" the Yarnells were presented with a silver tray as a mark of appreciation of the American community, the presentation being made by Bishop Roberts, chairman of the American Association. Acknowledging the gift, Admiral Yarnell said he and Mrs. Yarnell would leave China with profound pride and admiration for American citizens here who have carried on so doggedly and courageously during the past two difficult years.

Continuing, he said that Shanghai had grown to its present status through the efforts and industry of the citizens of several nations. "Its legal status has been defined by treaties in which these nations have been parties, and unless treaties are to be scraps of paper, its future will be decided in the same manner.

"As for your safety," the speaker concluded, "our naval forces in the Far East are responsible for your protection and will carry out that responsibility as far as it is humanly possible to do so within the reach of our forces ashore and the range of our ships' guns."

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89-067

Men and Events

Dr. George Sellett, American attorney, has returned from a trip to Chungking and Hongkong.

*

George J. McCarthy of the American President Lines, returned this week from a five months trip to Indo-China, Malaya, Sumatra and Java.

*

Rear-Admiral Orin G. Murfin, Commandant of Pearl Harbor, Honolulu, issued a regulation on June 2 that only American-owned fishing craft would be granted fishing permits in the area of Pearl Harbor.

*

Quentin Roosevelt, grandson of the late Theodore Roosevelt, who is now traveling in West China, returned to Chungking on June 3 from a trip to Sikong, Yunnan and Burma. He brought with him a collection of Tibetan scrolls and other historical and cultural objects. He is traveling under the auspices of the Boston Museum of Fine Arts.

*

Lady Willmot Lewis, daughter of the former President of the *Associated Press*, has brought an action in the Florida courts for divorce from Sir Willmott Harsant Lewis, for many years correspondent in Washington for *London Times*. Sir Willmott previously had extensive newspaper experience in the Far East, particularly in the Philippines where he edited an English language paper for several years.

*

An American fireman named Mantock, attached to U. S. Submarine-40 of the Asiatic Fleet, jumped into the Whangpoo on Thursday, June 1, from the No. 9 pontoon on the Shanghai Bund and rescued a Chinese who tried to commit suicide. Mantock was on the pontoon waiting for his boat when he saw the Chinese, a youth of 23, suddenly jump in the river. He was named Lee Ah-foh and said he had been out of work for some time.

*

The Rev. Frank A. Brown, connected with the American Presbyterian Mission at Hsuchow, northern Kiangsu, called at the Tokyo Foreign Office on June 3 and thanked the Japanese for protection extended to American lives and property in Hsuchow which is now occupied by the Japanese Army. According to the *Domei* report, although the Japanese bombed the district about Hsuchow "severely for about eight consecutive months," the Japanese kept their promises regarding the safety of foreign lives and property. The district has about 150,000 people normally and about two-thirds have returned, according to Rev. Brown. He said that about 2,000 refugees had sought shelter in the Mission compound. Nothing was stated in the *Domei* account of the recent action of the Army in arresting and torturing 17 Chinese Christians, connected with the Presbyterian Mission at Hsuchow, which probably was the real motive for Rev. Brown's call at the Tokyo Foreign Office. An account of the arrest of the Chinese Christians appeared in *The Review* on May 20, page 384. According to a later report from Loyang, Honan, through the *Kuomin* service, the Japanese military on June 5 staged a "mass arrest" of some 300 Chinese Christians who were connected with the Presbyterian Mission. The report stated that the Japanese military surrounded the church while a prayer service was being held. One report, unconfirmed, stated that a well-known Chinese Christian pastor had been shot.

Sunday, June 4, was the 90th anniversary of the founding of Holy Trinity Cathedral. Dean Trivett read a special prayer for the occasion.

*

The city of Bombay, India has voted complete prohibition of liquor sales, the new regulation to become effective on August 1. The government is scheduled to lose revenue fees amounting to £1,000,000 annually.

*

Mark L. Moody, head of the motor car agency of Mark L. Moody, Fed. Inc., U.S.A. has purchased the property of Harking Motors, consisting of one-half an acre located at No. 640 Avenue Foch. The property, which cost $100,000 (Chinese currency) will be reconstructed as a modern garage and agency.

*

M. Constantine Umansky, formerly Charge d'Affaires for the U. S. S. R. in Washington, has been appointed Ambassador in place of A. A. Troyanovsky, who has returned to Moscow. Mr. Umansky, prior to his appointment to the Soviet Embassy in Washington was head of the press censorship bureau in Moscow.

*

A total of 322,338 persons visited Shanghai's parks and public gardens in April, according to the monthly report of the Superintendent of Parks and Open Spaces. The number of admissions to the parks included 20,558 children who were given free tickets. The remainder either paid 20 cents admission fee or entered on season tickets which cost $1.

*

The British Censorship Board at Singapore, which has attracted world-wide attention by its banning of American and Chinese films, has now banned a British film—for too much gun play. The banned film, entitled, "Luck of the Navy," dealt with the activities of the British Fleet. Films over-emphasizing the following subjects are subject to censorship: race, horror, gangsterism, murders, bank robbery, politics.

*

The Filipino Legion, which has 1,500 members and 76 affiliated organizations in the United States, petitioned President Roosevelt on May 23 to appoint Representative Joachim O. Fernandez, Democrat, of Louisiana, as successor to High Commissioner Paul V. McNutt, who is expected to resign shortly in order to return to the United States to become a candidate for the Democratic nomination for President. The petition stated that Filipinos have "implicit faith in the honesty and integrity of Representative Fernandez."

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The British Ambassador, Sir Archibald Clark Kerr, was at home to members of the British community and friends on Thursday, June 8, 6 o'clock, P. M., at his residence, 50 Tunsin Road, in commemoration of the birthday of His Majesty the King.

*

The Municipal Council of the International Settlement was host on the evening of Monday, June 5, at dinner at the Cathay Hotel in honor of Stirling Fessenden, retiring Secretary-General and Major J. T. Ford, retiring Treasurer and Controller of the Settlement administration. Due to the absence nf C. S. Franklin. Chairman of the Council, the Vice-Chairman, W. J. Keswick, presided.

*

The New York *Times* will shortly make the following changes in its foreign service: G. E. R. Gedye, formerly correspondent in Vienna and Prague, but ousted from both cities by the German Nazis, will shortly be transferred to Moscow. Harold Denny, stationed in Moscow for several years, will be transferred to the Far East. The foregoing appeared in *Newsweek*, May 15. Hallet Abend correspondent in China, has gone home on vacation, leaving D. Robertson, formerly stationed in Peiping, in charge of the Shanghai office.

*

The Japanese Government is planning to send 8,000 Japanese youths to Manchuria, Mongolia and North China this summer "in order to assist the military authorities in establishing the new order in East Asia," according to report from Tokyo on June 1. Those sent to North China, numbering 1,918, will receive special training by the Japanese Army in Peiping, according to the report. The Government appropriated Yen 380,000 for the enterprise.

*

Ching Yu-shu, or Smith Y. S. King to use his foreign name, pleaded guilty in the First Special District Court on Tuesday, June 6, to the embezzlement of $24,350.30 from the Texas Company (China) Ltd. Ching was employed as cashier at the Nanking office of the company from May, 1930 to April, 1936, in which period he had taken the money and covered up the action by altering the firm's books. He had absconded from Nanking but later was found in destitute condition in Hongkong and brought here. Since Nanking is within Japanese-occupied territory, the case was adjourned pending the appointment of a Supreme Judge to handle the case.

Frederick Snite, young Chicagoan, who was stricken with infantile paralysis while traveling in China in 1936 and has since lived in an "iron lung" or tank which produces artificial respiration, has been at the town of Lourdes in France where he bathed in the "Pool of Miracles," in the hope of effecting a cure. A special mass was also held for him and his family. Young Snite and the other members of his family are devout Roman Catholics.

*

Work on the embankment of the new Chinese railway connecting Kunming, capital of Yunnan Province with the railways of British Burma, is proceeding rapidly, according to a report from London on May 25. A spokesman of the British Government declined to state, in reply to a question in Parliament, where the new line would extend into Burma, saying that no communications on the subject had been received from China.

*

A special service was held by members of Holy Trinity Cathedral on Sunday morning, June 4, to enable the members of the congregation to express their appreciation for the services rendered to the Church and membership by Mr. and Mrs. S. C. Young, who are returning to England shortly where they will make their home. Mr. Young served for many years as an official of the Settlement Police Department. He was a member of the Church vestry for more than 20 years while Mrs. Young had been active in the Girls Friendship Society. An address of appreciation for the work performed by Mr. and Mrs. Young was delivered by P. W. Massey, following which they were presented with a painting by Radik of the Cathedral Chancel, together with a book containing the signatures of the donors.

The American Women's Club held its annual garden party on June 3 at the home of Mr. and Mrs. R. T. Bryan, Jr., at 87 Amherst Avenue. Music was furnished by the Fourth Marines Band. Mrs. Wilbur Judd is chairman of the Club.

*

Officials of the Shanghai Telephone Company, subsidiary of International Telephone and Telegraph Corporation, announced last week their intention of constructing "if conditions are favorable" a new building in Shanghai which will cost approximately $3,000,000. The building will serve as company headquarters here.

*

Dr. C. T. Wang, former Chinese Ambassador at Washington, arrived in London from Hongkong on June 1, having made the trip by air. He was scheduled to attend as China's delegate, a meeting of the Olympic Games Committee, on June 6. Dr. Wang stated that he would remain in London for 10 days and might return to China by way of the United States.

*

M. Bourdrez, Netherlands subject, who has been in China for several years as a conservancy expert connected with the League of Nations, was drowned in the King-sha Kiang, or Golden Sand River, Yunnan Province, on May 15. He was on an exploring expedition and was accompanied by two officials of the Ministry of Economic Affairs, the entire party consisting of 20 members. According to the *Reuter* report the boat in which they were traveling capsized. His body had not been recovered, according to the report received on June 3. Mr. Bourdrez previously had traveled extensively with Lt. Col. C. H. Spear, British Military Attache, who is now held prisoner by the Japanese military authorities at Kalgan.

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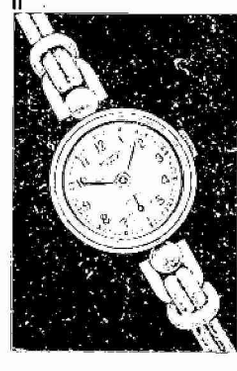

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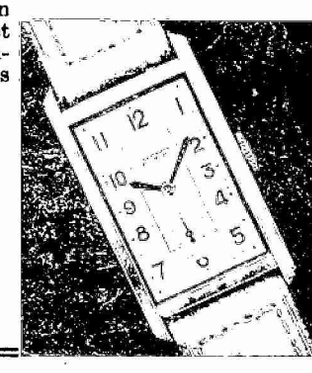

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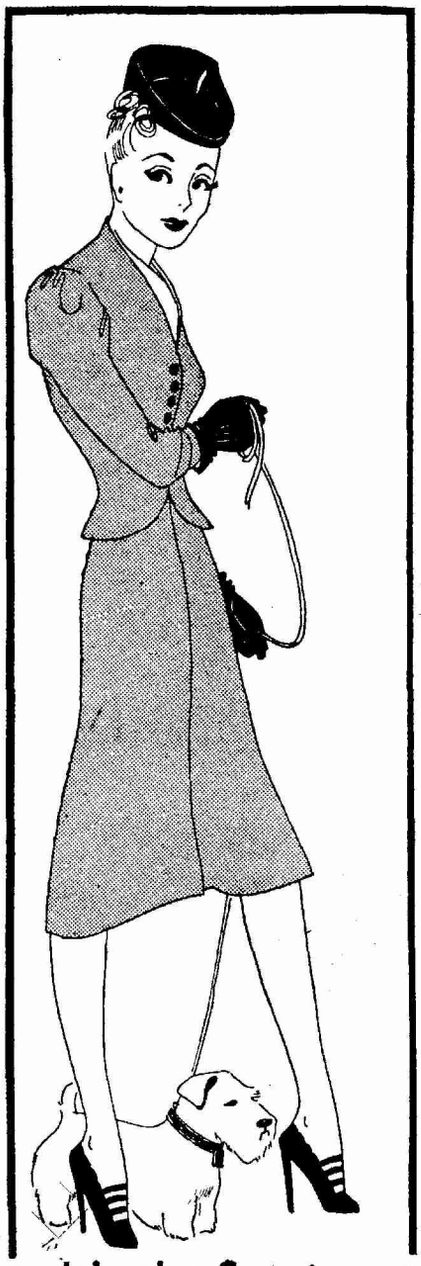

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Dr. H. F. MacNair of the University of Chicago, who is now visiting in Shanghai, was scheduled to lecture at the Royal Asiatic Society on the afternoon of Thursday, June 8 on the subject, "Some Vicissitudes of a Mid-Victorial Consul."

*

F. Knobel, Counsellor of the French Embassy and Mrs. Knobel, were given a farewell dinner at the French Club on Saturday evening, June 3. An address expressing appreciation for the services rendered by Mr. Knobel, was delivered by J. Berrand.

*

Judge Milton J. Helmick and other members of the staff of the U. S. Court, includ'ng William T. Collins, clerk; Miss Helen Wiley, Court Stenographer and Interpreter Zee, departed on Wednesday of this week for Tientsin where a session of the Court will be held. The party will return to Shanghai on June 18.

*

The police of the International Settlement cooperated with Japanese consular police on June 3 in arresting a student at the temporary quarters of Chinan University on Connaught Road. The Japanese alleged the student was a Formosan. There was no report regarding the reason for the arrest.

*

Mr. and Mrs. E. H. Munson, Dr. and Mrs J. C. McCracken, Mr. and Mrs. Lyman Hoover and Mr. and Mrs. Luther Tucker will be hosts at a farewell reception scheduled for Friday afternoon, June 9, in honor of Mr. and Mrs. J. C. Oliver, who are departing shortly for the United States on leave. The reception will be held at Y. M. C. A. Apartment House, No. 10A Route Winling.

*

The death occurred in London on June 3 of Sir Philip Sassoon, former Under-Secretary of Aviation in the British Cabinet. He was a cousin of Sir Victor Sassoon of Shanghai. Sir Philip Sassoon was born on Dec. 4, 1888 and received his education at Eton and Christ Church, Oxford and served as private secretary to Field Marshal Sir Douglas Haig, Commander-in-Chief of British Forces in the World War. Later he was elected to Parliament and held numerous other positions in the British Government.

*

Dr. and Mrs. F. L. Hawks-Pott, Bishop and Mrs. W. P. Roberts and Prof. and Mrs. Donald Roberts of St. John's University were hosts at a reception on Monday afternoon, June 5 in honor of Dr. and Mrs. Harley F. MacNair. Dr. MacNair, who formerly was professor of history at St. John's is now a member of the faculty of Chicago University. Mrs. MacNair was formerly Mrs. Florence Ayscough, well known writer on Chinese subjects, who resided in Peiping for many years. Dr. and Mrs. MacNair who are now on a trip through the Far East, spent several weeks in Peiping prior to coming to Shanghai.

*

Community Chruch was filled on Sunday afternoon, June 4 at the memorial service in honor of the late Dr. Anne Walter Fearn, whose ashes were received in Shanghai recently from Berkeley, California, where Dr. Fearn died. The eulogy, consisting of an initmate review of Dr. Fearn's life and activities in China, was delivered by Dr. W. B. Nance, former President of Soochow University, who was a life-long friend of the deceased. The invocation was given by Dr. J. L. Caughey, Pastor of Community Church while there was special music by the Church choir, with R. V. Dent at the piano. The casket containing the ashes was placed on the rostrum during the service. The pulpit and the orchestra platform were covered with a special floral display.

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In the United States Court for China

ALEXANDRA GIMENEZ *Plaintiff* vs. ANTONIO GIMENEZ, *Defendant.*	Cause No. 4411 Civil No. 2290 ORDER. Filed at Shanghai, China, June 5, 1939. WILLIAM T. COLLINS, *Clerk.*

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 5th day of June, 1939, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 5th day of June, 1939, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 5th day of June, 1939, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since the past five years, and that defendant's last known address was 92 A Lake, San Juan, Rizal, Philipines Islands.

NOW, THEREFORE, it is this 5th day of June, 1939, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 24th day of June, 1939, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China, this 5th day of June, 1939.

MILTON J. HELMICK,
Judge.

New Books of Interest in the Far East

Revolutionary Origins

THE FIRST RUSSIAN REVOLUTION, 1825: THE DECEMBRIST MOVEMENT, ITS ORIGINS, DEVELOPMENT AND SIGNIFICANCE—By Anatole G. Mazour Ph.D., Research Assistant in History, University of California. With a foreword by Robert J. Kerner, Professor of Modern Eureopan History, University of California, Berkley. Univeristy of California Press, 1937. 324 pages, illustrations, bibliography, index. U.S.$4.00.

The Decembrist movement presented as the outgrowth of a Russian national condition which extends back into the 18th century is the thesis of this excellent study of revolutionary philosophy and event. Decembrism is shown as stemming from the historical developments of the second half of the preceding century, when the throne and the people drew apart, when the monarchy established its centralized apparatus, enslaved the peasant masses and refused to recognize the disastrous consequences to which such a policy would lead.

Dr. Mazour gives not only the historical events which deepened the growing restlessness in Russia after the turn of the 19th century, but shows how the government failed to support the constitutional projects put forward by such men as Radishchev, Mordvinov, Speransky or Novosiltov. This unwillingness of the government to institute reforms brought about the formation of the Decembrist Society, the first Russian political party with a constructive program which sought the overthrow by force of the existing government. The aims of the Decembrists centered around two points: the abolition of serfdom and the limitation of autocratic power by some kind of representative government.

The author discards the opinion so frequently expressed that the Decembrist attempt at violence in 1825 drove the government to reaction and prevented the more evolutionary process of liberal reforms begun by Alexander I. He shows that reaction began long before Nicholas came to the throne, that it was the despotic regime of Arakcheev which gave impetus to the Decembrist movement.

Although the revolt of December 14, 1825 failed to achieve its immediate object, it did begin a period of activity in internal affairs; codification of laws, enforcement of justice, reforms in the clergy, a revival of commerce and industry. The recommendations of the Memorandum presented to Nicholas by Borovkov, one of the chief secretaries of the Committee of Investigation, "represented in reality a plagiarized Decembrist program." But the chief accomplishment of the Decembrists was their legend and heritage. Herzen wrote:

"The heritage we received from the Decembrists was the awakened feeling of human dignity, the striving for independence, the hatred of slavery, the respect for Western Europe and the Revolution, the faith in the possibility of an unpheaval in Russia, the passionate desire to take part in it, the youth and freshness of our engergies."

Lenin wrote:

"The Decembrists awakened Herzen and Herzen started the revolutionary agitation. The latter was taken up, widened and strengthened, hardening the revolutionary-commoners, beginning with Chernyshevsky and ending with the heroes of the "People's Will."

Of particular interest are the chapters on the Northern and Southern Societies with their distinct characteristics, the Decembrists in Siberia. The studies of the revolutionary leaders bring a new understanding of the indecisions and failures of the revolutionary attack itself.

Dr. Mazour has made an invaluable contribution to an objective study of the Russian Revolution. Materials recently gathered by the Soviet Archive Commission, memoirs, and periodical literature which are not available to the non-Russian reader, have formed the basis for this book. The bibliography covers eighteen pages. No other book is available to the English reader which gives a comparable account of the beginnings of the Russian Revolution.

F.M.R.

125 Men Die in Two Submarine Disasters

Ninety-nine British sailors and technicians lost their lives last week-end in the new British submarine *Thetis* when the undersea craft failed to emerge from a test dive some 50 miles from Bikrenhead, off the west coast of England.

This was the second major submarine disaster within a period of ten days. On May 23, the newly-completed American submarine *Squalus* sank 12 miles southeast of Portsmouth, New Hampshire, when her main induction valve failed to close during a test dive. Twenty-six men were drowned in the forepart of the vessel, but the remaining 33 were rescued by means of Bell diving apparatus.

The British submarine, with 103 men on board, including technicians employed by Cammell Laird & Co., builders of the craft, apparently struck some submerged

THE CHINA QUARTERLY

Vol. IV. SPRING 1939 No. 2

(WAR-TIME FINANCIAL AND ECONOMIC RECONSTRUCTION)

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object on June 1. The forepart of the vessel sank 120 feet below the surface and rested on the bottom of the sea, while the stern floated near the surface. Four men, including the commander, managed to escape. The others died of suffocation when all attempts to rescue them failed.

Official inquiries are being made into both disasters. In the case of the *Thetis* a storm of criticism has been aroused in England, particularly with regard to the failure to rescue the 99 men despite the fact that for a time the vessel was near the surface of the sea, with a great collection of salvage vessels and gear on the spot. Efforts are proceeding to raise both the British and American undersea boats, especially since they are expected to yield evidence which will definitely determine the causes of the accidents.

The last major submarine disaster in peace-time occurred in China waters in 1932, when the British submarine *Poseidon* was rammed by a Chinese freighter, commanded by a Japanese skipper, off Weihaiwei. The craft sank in deep water and a number of her crew lost their lives. By use of the Bell diving apparatus the remainder were rescued.

Puppet Regime Sets Up Yangtsze Taxing Stations

Fourteen tax collection stations have been established by the Reformed Government along the Yangtsze River, including Kiangyin, Liuchow, Changhuangkong, Tiensenkong, and Sinsenkong, to collect the so-called relief surcharges on exports, according to regulations promulgated by the Ministry of Finance, the *Hsin Shun Pao* Japanese-owned Chinese daily, reported May 27.

The following list gives the amount of relief surcharge to be paid fot different kinds of commodities :

(1) One dollar for one picul of rice; (2) 60 cents for one picul of grain; (3) 80 cents for one picul of beans; (4) 60 cents for one picul of wheat; (5) 30 cents for one picul of barley; (6) $1.50 for one picul of sesame; (7) 60 cents for one picul of peanuts; (8) $5 for each cow to be exported (9) $2 for each pig; (10) $10 for every 100 catties of bristles; (11) 15 cents for each chicken or duck to be exported; (12) $3 for every 1,000 eggs to be exported; (13) $1.50 for every 1,000 duck's eggs; (14) $2 for every 100 catties of salted meat; (15) 30 cents for each piece of ham; (16) $2 for every 100 catties of oil; (17) $18 for each 100 catties of native silk; (18) $8 for every 100 catites of silk-cotton; (19) $4 for every 100 catties of dry cocoons.

Madame Chiang Given Honorary Law Degree

New Jersey College, New Brunswick, N. J., conferred the honorary degree of Doctor of Laws on Madam Chiang Kai-shek, on June 3, Owing to Madame Chiang's inability to be present, the certificate was given to Chang Lok-chen, Counsellor of the Embassy at Washington. Madame Chiang sent an address to the college emphasizing China's determination to continue the fight against aggression in order to keep China intact for future generations. She declared, "We will fight without stop for the international principles of law and justice which form the foundation of government for the people!" She said that the Chinese do not "hate the Japanese," but that each fresh bombing made the people more determined to resist Japanese slavery."

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